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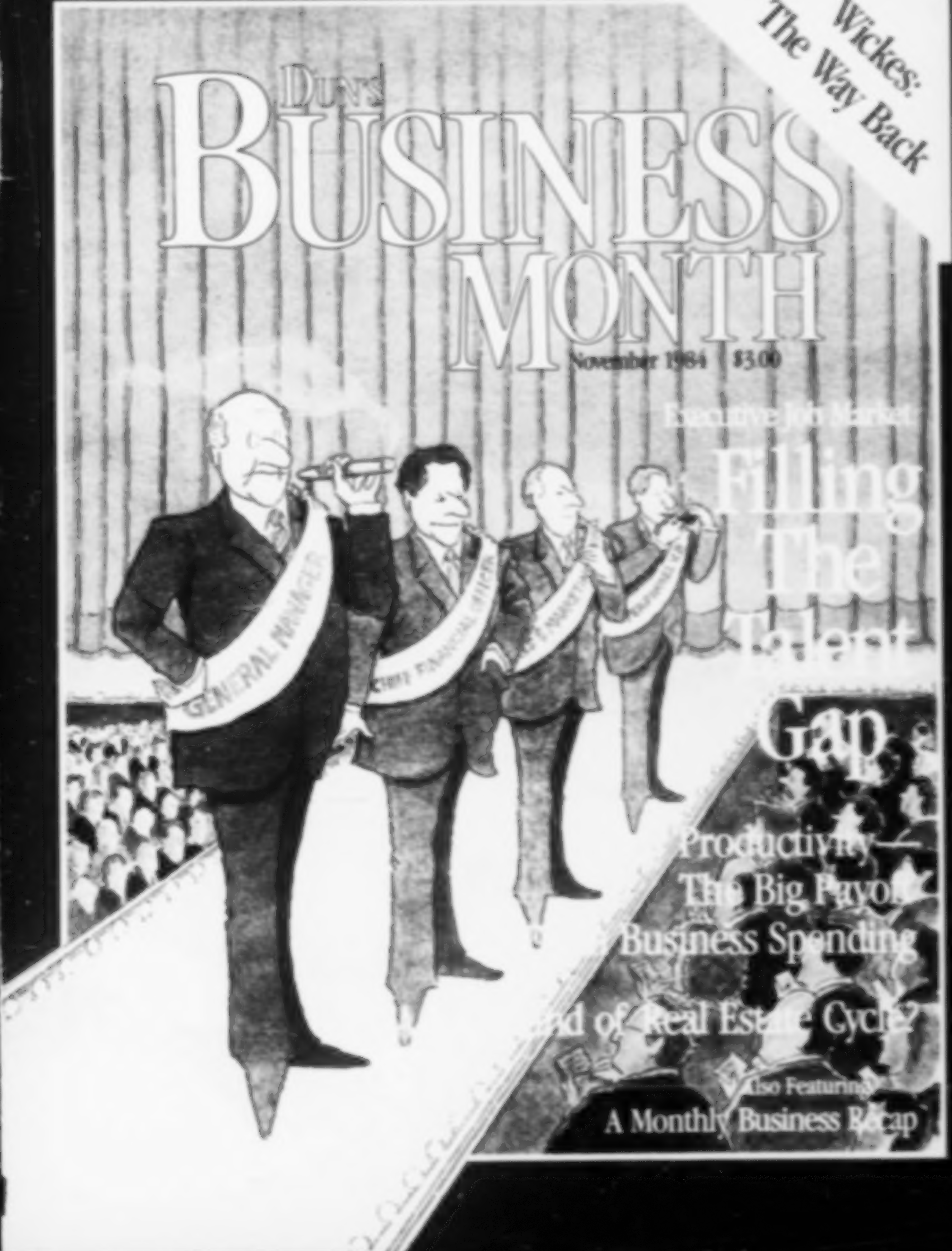
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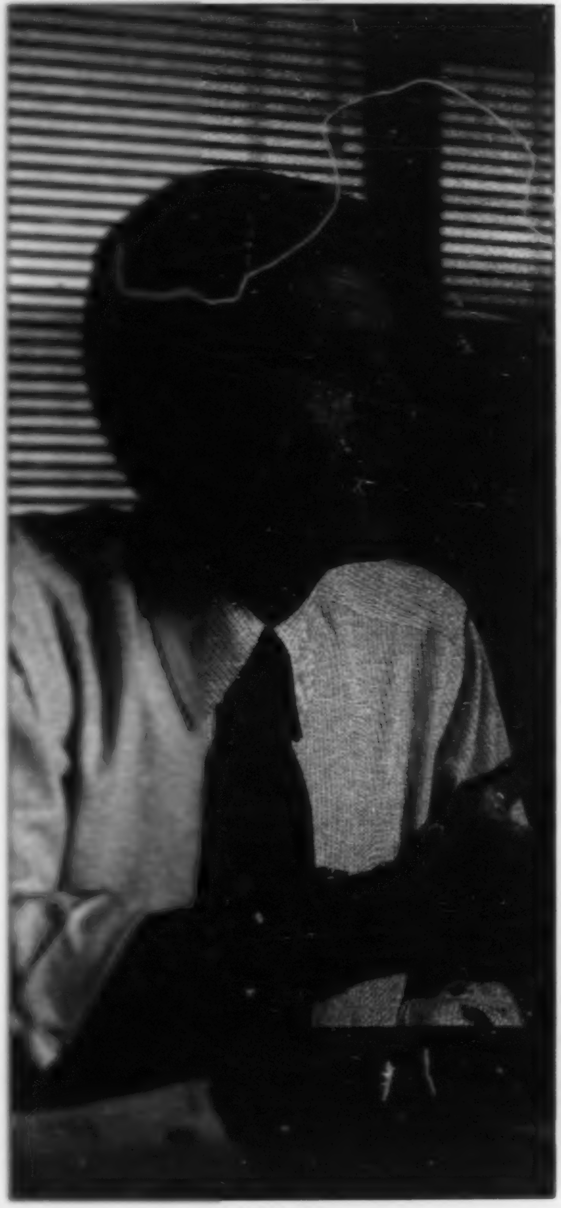

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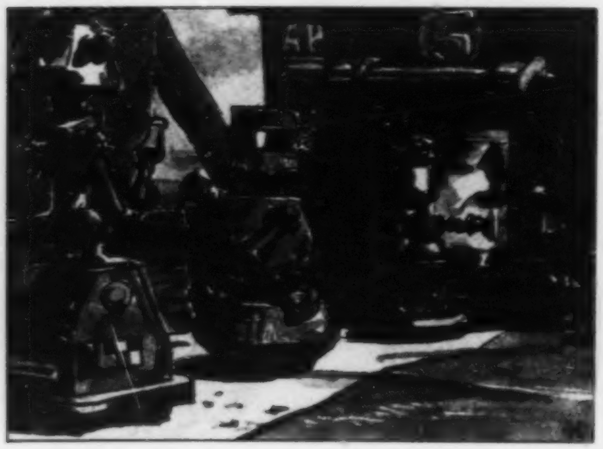

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Executive Job Market: Filling The Talent Gap

Middle managers are high on the corporate search list for the first time since the recession. Also in demand: financial officers and division chiefs.

In 1984—the second year of economic recovery—corporate America is filling the devastated ranks of middle management. This development, one of the major findings in DUN'S BUSINESS MONTH's tenth annual survey of the executive job market, is a demonstration of confidence, at least by much of business, that better times can continue for more than another quarter or two.

All told, corporate searches for middle managers earning less than $100,000 a year increased more than 20% in this year's first half, according to the Association of Executive Search Consultants (AESC), which conducts quarterly surveys of 57 executive recruiting firms nationwide. The upward trend after years of decline reflects the growing realization by many companies that the cut-to-the-bone hiring policies spawned by two major recessions over the past decade have sapped executive strength. "Companies were starting to lose some of their best people because they were asking them to do two and three jobs," says Janet Jones-Parker, the AESC's executive director. "They knew they had to start hiring if there was to be any sort of a future at all."

Now, for the first time since before the last recession, companies are hiring middle managers to fill new jobs at a rate exceeding replacement. And these new positions, executive recruiters say, are focused on the future. It is the year of the engineer, the R&D specialist, the salesman and the planner. In 1984's second and third quarters, more than 50% of the searches in these job categories were by companies looking to fill new slots, the AESC reports. In part, this jump in new positions is a result of the galloping growth of the high-technology sector, which many observers see as the last great hope for an expanding executive job market.

Another sign that companies are seeking to shore up management ranks—and to nurture young talent—is a resurgence in the search for personnel managers. According to recruiters, they are one of the major targets in today's hunt for executives.

And the list of current job openings from twenty top search firms tabulated by DBM *(see pages 92 through 108)* shows a 28% increase over last year in the number of personnel searches. "Companies are increasingly looking inside to promote," says AESC President William Gould. "What they see is that they have not provided the training to develop good succession schemes, which turned out to be a major problem of the recession."

But while a rejuvenated market can be seen throughout the middle-management ranks, growth in hiring at the higher management levels is slowing down. In fact, the association's third-quarter job survey shows a 40% drop-off in placements for executives making more than $200,000 a year. And in the DBM listings, there is an 8% drop from last year in jobs paying $200,000 or more.

This is not surprising. In coming out of a recession, rehiring traditionally begins at the top and works its way down. The surge in top-level hiring was even more pronounced this time around, and actually began during the recession, reflecting the extensive firing of corporate chieftains during those rocky years. By now, much of the frenzy has subsided.

Companies are still looking hard for division chiefs, however. The reason: five years of acquisition fever, which has forced many corporations into a more decentralized management mode. "They are looking for the entrepreneurial general manager," says former American Can Chairman William May. "This must be someone who can market a product but who has a careful eye on the bottom line. These executives must know how to operate in the field and take responsibility for the success or failure of an operation."

Leading industries

Generally, business has been replenishing eroding management forces since the beginning of 1983. Currently, the biggest movers and shakers among industry groups are autos and auto suppliers, electronics, lumber and paper and health care. But over the longer stretch, financial services, high technology and service industries are providing the most consistent upward push and the majority of newly created positions.

For one thing, the extremely competitive climates in banking and high technology have forced these industries into an all-out search for marketing specialists—many of whom have been grabbed away from the consumer goods industries. "Not all these placements work," says executive recruiter John Mirtz of Byrnes, Elsom Mirtz Morice. "But you only have to look at marketing expert John Reed's ascension to CEO at Citicorp, and the market-oriented people he is surrounding himself with, as well as John Sculley's success at Apple, to know it is more than a passing fancy."

According to Mirtz and other recruiters, the search for consumer products marketers is now apparent in the staid insurance industry. "The insurers are probably five years behind the banking industry in discovering the need to improve their awareness of markets and the competition," says recruiter Roger Kenney of Kenney, Kindler & Hunt. "But some have already had a rough time with aggressive pricing, and the industry generally is beginning to realize that deregulation is about to bring a whole new set of competitors into some of their markets."

The search for outside marketing expertise is even evident at AT&T, once the classic hire-from-within company. Now that it has to deal with strong competition in telecommunications, and is pushing into the computer market, the company is reaching outward. At the top level, this can be seen in the recent promotion of James Edwards to president of the computer division. Recruited in 1983, Edwards, 44, had been senior vice president of marketing for Bausch & Lomb and president of their instruments group before joining AT&T Technologies as vice president of business and market strategic planning. Prior to that, he spent fifteen years at IBM. Supporting the placement of Edwards and its recent reorganization into product groups, AT&T has been actively recruiting sales and marketing middle managers over the past eighteen months.

Also at the top of the executive demand list: chief financial officers. The DBM survey shows a 31% increase from last year in the number of CFO openings, a trend confirmed by recruiters. Companies are looking for the best talent and often raid the top accounting firms for candidates. "Accounting firms are more than happy to assist in the search since it gives them a nice entry with the CFO if their candidate is hired," Mirtz says.

In terms of salaries, the new job market is well outpacing single-digit inflation. However, increasingly larger chunks of compensation are in the form of incentive pay tied directly—often in precise formulas—to the performance of the executive and the company. At large companies like General Electric and Abbott Laboratories, for example, year-end bonuses for a large portion of management are now calculated after extensive individual interviews and evaluations.

One notable trend at the top-management level is the increasing popularity of employment contracts. The reason, of course, is that with so many companies being gobbled up by others, the risk of a division being sold off or disbanded is greater than ever. "Since experience is of prime importance these days in picking candidates for top positions, most are walking away from pretty successful jobs in another industry or at another company," points out Roger Kenney. "What they are saying is, 'Give me some assurances.' "

Employment contracts are almost SOP at new firms financed by venture capital.

Employment contracts are almost standard operating procedure at new firms financed by venture capital. Moreover, the startup area is still a good hunting ground for upper-level executives looking for new worlds to conquer. Many of these jobs offer modest base salaries and rich stock holdings in fast-growing, albeit high-risk, high-technology firms. "In most cases, these firms start out with a technical person, an inventor, and are looking for a businessman to drive the business," says John Johnson of recruiting firm Lamalie Associates.

Rich source of jobs

As these trends indicate, today's executive job market is mirroring not only the bold strokes in the economy but its more subtle shadings. Like in industry itself, which at the same time is showing record profits and substantial losses for various sectors, it is an arena buffeted by deregulation, foreign and domestic competition, billion-dollar mergers and more venture capital than even the most adventurous market knows how to deal with at times. "It is a real patchwork quilt these days," Gould says.

As a result, most recruiters warn, the job market is unlikely to regain its pre-recession scope. For it will continue to feel the fallout from the ongoing corporate drive to achieve a delicate balance between cost-mindedness and the need to be staffed sufficiently. Thus, the executive talent hunt goes hand-in-hand with ongoing corporate programs to encourage early retirement and eliminate management positions. "In today's competitive environment, the emphasis to do better must still be on cutting costs to the bone," says consultant Frank Gaines, a retired top Exxon manager.

The results of such streamlining are particularly evident in basic industries like autos and steel, which needed it most. For example, the increased automation of manufacturing has resulted not only in fewer hourly workers but in fewer managers as well. Even more significant in reducing the number of managers has been the trend toward consolidating responsibility and combining functions at many companies.

The most dramatic example is the auto industry, which has been able to keep job force numbers down despite a dramatic pickup in activity. Ford, for instance, has permanently chopped its upper and middle management ranks by 20%. Its roster of senior vice presidents has been reduced from 54 to 42 since the late 1970s, and when two more retire this year, a Ford spokesman says, the company does not plan to hire replacements.

In fact, all things considered, the experts are pessimistic that the executive job market will remain solid for more than another year. Just as many economists are beginning to see an end to the current recovery, recruiters are quietly fretting over the slowdown in top-level executive openings. "It has not been the strongest of recoveries in terms of expansion of the job market," Gould notes, "and it is safe to say that it will be much, much tougher in the future to move if you are unhappy or looking for advancement. We are definitely dealing with a market that is shrinking, even with the shift from smokestack to financial services and telecommunications."

—PAT WECHSLER KEEFE

The Insurers Take Over The Office Property Game

They are rewriting the rules of the office real estate cycle, cutting the risks and rewards as well as the booms and busts.

Next to death and taxes, booms and busts in real estate have always ranked high among the certainties of American business history. When the economy expands, office vacancy rates drop and rents escalate. Lured by high rents, investment dollars flow in and developers begin constructing new office buildings—usually in the same cities at the same time. The first new buildings to open get rented fast and the developers make a killing. But then just as more new buildings come onstream, the now-aging recovery falters, prospective tenants cancel leases, "Office for Rent" signs paper downtowns, developers go bust, investment dollars dry up and building slows down again.

These cycles recur not because real estate people are incapable of learning from history, but because builders must build when there is demand and lenders are willing to invest. No one can predict when an expansion will end, any more than stock market wizards can foretell a market crash. And, similarly, getting out too soon often means losing out on the juiciest deals.

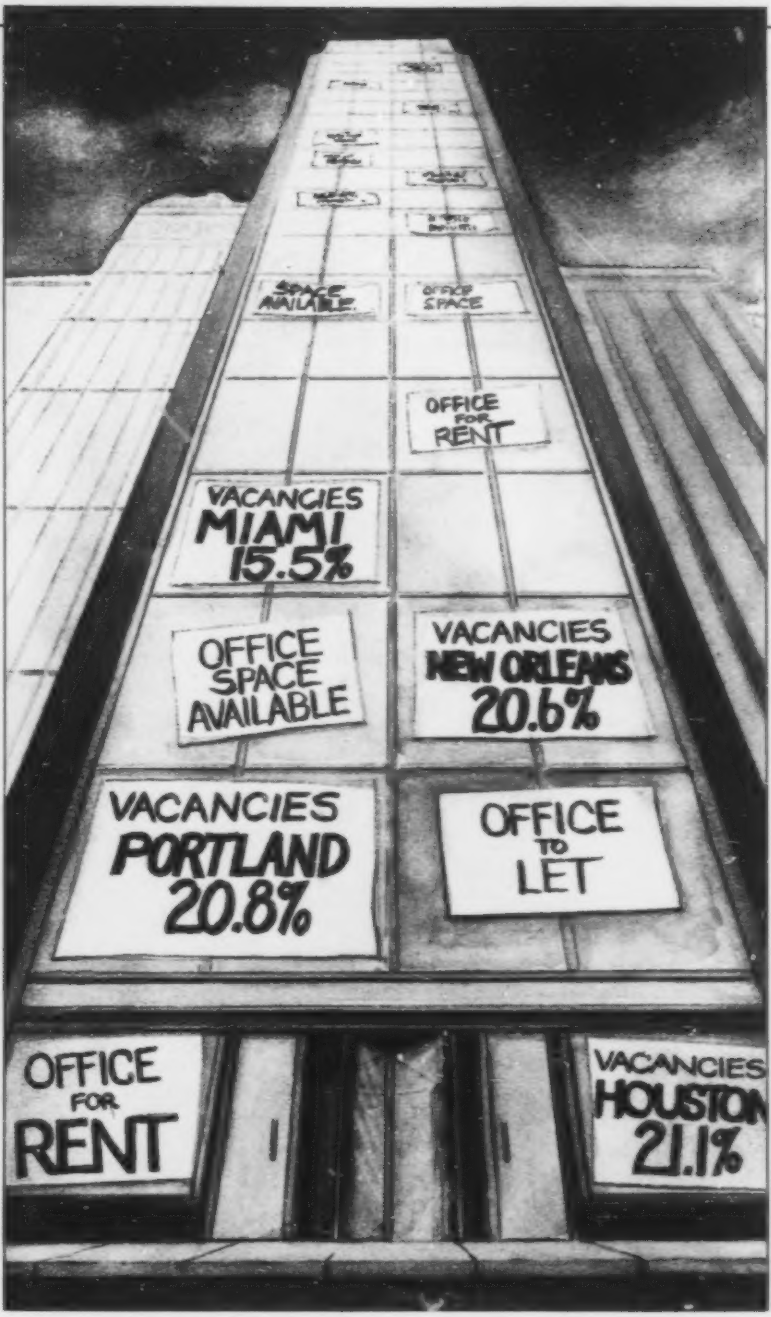
This year, with the economic recovery approaching the end of its second year, new office buildings are not filling up. Indeed, the national vacancy rate is at an incredibly high 13.5%. And still new office building construction is speeding up. According to F. W. Dodge, new construction contracts for office buildings rose a hefty 17% in the first half of the year.

Overbuilding is extensive

Thus, the stage would seem set for another great bust. A recent nationwide survey of real estate experts by Real Estate Research Corp. revealed that nearly half of them believed that today's office overbuilding is as extensive as the binge that precipitated the 1974-75 real estate debacle.

Nevertheless, the real estate pros are not expecting a crash in office properties. "I am not looking for a bust," Chairman George Peacock of Equitable Real Estate Investment Management says. "You are not going to see a mass movement to dump half-empty office buildings." And Vice President William Russell of Aetna Realty Investors agrees: "I foresee a lackluster overall office market in 1986, but not a nationwide bust like 1974-75."

What deters these real estate veterans from forecasting disaster next year is the revolutionary change that has taken place in the cast of players among the developers, lenders and investors in office properties in the last few years. The participants that dominate the market these days are well-heeled domestic and international insurance giants, major pension funds and real estate syndications. These players have deep pockets and they are capable of meeting mortgage payments for long periods of time even if empty offices are not bringing in rental income. The shoe-string developers,



the ones who paid the mortgage with the monthly rent checks, were largely driven out of the business, having gotten killed by high-vacancy rates in the busts of the mid-1970s and early 1980s.

Most experts are predicting the next downturn won't occur until late next year or in 1986. "When the trouble happens," says Partner Claude Ballard of Wall Street's Goldman, Sachs & Co. "it will occur only in small parts of the market. In some areas, you are going to get big oversupply and in others big shortages." And even then the pros expect only a few of the players will get badly hurt.

This scenario is hard to believe right now, when the property market looks so treacherous. Office building vacancy rates are incredibly high, says Leanne Lachman, president of Chicago-based Real Estate Research Corp. In a nationwide survey conducted by Coldwell Banker at the end of June, in Houston, where a whopping 6.9 million square feet of office space was vacant, the vacancy rate was 21.1%. In mile-high city Denver, 20.8% of the offices were unrented and ditto for Portland, Oregon. Sky-high office vacancy rates were most pronounced throughout the Sun Belt cities (*see table, p. 80*). Ironically, office buildings in the big Midwest and Eastern cities, which have been hard-hit in earlier busts, boast a slightly more balanced supply/demand situation.

With so much space hanging over the market, rents, not surprisingly, are under pressure. In cities with the highest vacancy rates, rents have actually declined from their peaks in 1982 and 1983. In Houston, the most severely overbuilt market in the nation, New York-based real estate consultant Julien J. Studley says, "Tenants are getting incredible deals." Some buildings are offering two-and-a-half years of free rent on a five-year lease.

Because vacancy rates across the nation are expected to climb further, says Ray Torto of Torto, Wheaton & Associates, a Boston-based research firm, perhaps to 16% in 1985, and then to drop gradually to 14.5% by the first half of 1987, realtors are nearly unanimous in predicting that rents will remain steady next year and in 1986.

Rents will hold steady

The continuation of building in the face of persisting high vacancy rates and dismal prospects for rent increases is possible only because of the vast financial resources of today's players. Instead of operating on borrowed construction money, monstrous mortgages and the expectation of fast tax write-offs and visions of capital gains, the present crop of investors operate real estate with long-term investment horizons and low-leverage. In this environment, says managing partner Jerry Speyer of Tishman Speyer Properties, "I expect returns to be somewhat lower, but that's not all bad."

The insurers are willing to withstand low returns for extended periods in the

Home Sales: Sellers Sigh, Buyers Wince, A Few Smile

This past summer, the sun singed—even burned—the residential real estate market.

After enjoying a two-year boom, homebuilders and resellers nationwide, with a few regional exceptions, have confronted cutthroat conditions in the last six months. According to the National Association of Realtors (in its most recent report), existing home sales fell for the fourth consecutive month in August, by 1.8% from the previous month to a seasonally adjusted annual rate of 2.72 million— the lowest rate since last November. "In June, most of our guys started experiencing declines [in sales of existing homes] of 10%-to-15%," says President Steve Murphy of Equi-net Inc., a network of 400 privately-held real estate brokers.

New home sales have fared poorly, too. Nationwide mortgage banker, Lomas & Nettleton, predicts that new home sales for 1984 will come in at 1 million units, 7% below last year's figure. In August, the NAR reported that new housing starts had dramatically dipped 12.8% from the previous month.

The Houston housing market is a bonafide disaster, according to developers and sellers. Sales of new homes in that city plummeted in June and July, down 25% from a year ago. Denver, San Jose, Fort Lauderdale and San Diego are less severely but similarly oversupplied with new homes.

Luxury condominiums are a drug on the market in areas such as Florida, southern California and Texas, where the strong dollar has deterred foreign buyers. Price-tagged at $150,000 and up, luxury apartments built for foreign buyers two years ago now stand unsold and empty. In Florida, according to Steven Goodkin of Goodkin Research Group, located in Lauderdale by the Sea, "We have four years worth of supply left over for the Mexican buyer."

Also oversupplied and overpriced are the homes in already-established gentrified neighborhoods of Washington, D.C., and Philadelphia. The prices for these fashionable, often historic brownstones are steep enough to inhibit all but the wealthiest buyers, says Walter C. Klein of the Lomas & Nettleton Financial Group. Even the unrefurbished, lower-priced buildings in the older city neighborhoods are moving like tortoises on the market. Apparently, the baby boomers who scraped, peeled and painted dilapidated inner-city housing are now too old (and perhaps too busy) to handle the hard work of "pioneering" new neighborhoods.

In some markets, such as Dallas, Philadelphia, Boston and Los Angeles, the supply of new and existing homes is generally balancing with demand. In that group, Dallas has the most favorable outlook: It is expected to be the largest housing market in the country, some 81,000 multi- and single-family units. With an economy that, unlike Houston's, is independent of oil, Dallas expects to see some 70,000 jobs created this year. Homebuyers will follow. Big-D, like the rest of the country, experienced sluggish sales in June, but the city's developers built more sparingly and suffered much less than their neighbors in Houston.

In major cities, such as New York, Atlanta, San Diego, and Dallas, much of the turnover is fueled by investors seeking tax-shelters. Attracted by both the tax benefits and the rental cash flow, as well as the potential for appreciation, buyers—particularly doctors and dentists—are moving out of the stock market and into "mini-landlording." Although difficult to quantify, brokers like Al Priess say that in the New York area, this year, "Individual investors are buying anywhere from 20%-to-50% of the units that are sold." In the city proper, where investor interest is most marked, one real estate marketing firm, The Marketing Director Inc., just founded a company, City Living Inc., to manage such rental units for investors.

Sellers of both new and existing homes in Austin, Texas, Central New Jersey and Atlanta seem impervious to bad news. In Atlanta, which Equi-net's Murray calls the "strongest market in the nation," old home sales are 5% below last year, but 75% above the ten-year average, according to the Lomas & Nettleton Financial Group survey.

One segment of the market, multi-family dwellings, is actually growing, particularly in cities where apartment living had been declasse. Some 20,000 multi-family condominium units are forecasted to sell in Atlanta this year, the highest number since 1972. In Philadelphia, new demand is pushing up condominium prices; they rose 12%-to-15% so far this year.

Possibly the most dynamic area for home sales is the often-thought sleepy New Hampshire. "It is just a diamond of a market," says Equi-net's Murray. Workers from Massachusetts' high-tech meccas are moving to New Hampshire to enjoy its low-tax rates and scenic birch tree forests.

Despite the health of a few segments and locations in the market, nationwide new home sales are languishing. The underlying reason: prices are now out-of-sight for most middle-income Americans. As of last July, the average new home price had risen to $95,600, up 6.7% from last year. The average American is finding mortgages harder to afford as interest rates inch upwards and federal regulators toughen the standards for cut-rate financing tools, such as adjustable rate mortgages. "There is an undersupply of buyers," explains Equi-net's Murray, adding, "A permanent segment of the house-buying population has disappeared."

Worse yet, new home prices are likely to rise rather than fall. In many parts of the country, climbing property acquisition prices are pushing up building costs. Land prices are soaring—tripling and doubling—in Philadelphia, Fort Worth, Texas, places where skyrocketing property prices were unheard before.

In hot markets, land speculation has spurred ridiculous transactions. For instance, in Tampa, Florida, out-of-towners paid $35,000 for a plot locals priced at $10,000. In Philadelphia, a speculator "flipped" a piece of property; he paid $30,000; three weeks later, he sold it for $42,000. In Phoenix, land zoned for high-density has almost doubled from $25,000 an acre eighteen months ago to $45,000 an acre now.

Responding to the increasing land prices, developers from Atlanta to San Diego are building smaller, tighter multi-unit dwellings chock full of luxury details inside and embellishing the outside with extra landscaping to hide the shrinking size of the land plot.

Residential home builders are making up for the smaller-sized lots with extras inside the house, especially in bathrooms. Brokers across the country identify interior architectural bathroom details as the "hot-buttons," that lure buyers into a deal. "It's the last bastion of luxury," says one broker. "If you can't get it anywhere else, damned if you're not going to get sizzle in the bathroom." Saunas, stand-up showers with sunk-in tubs, marble-like tiling, gold-plated faucets are what make today's American home-buyer swallow the prices at which his grandfather would have balked. —M.R.

expectation of a brighter future after the downturn. "The big insurance companies know what they are doing," says Goldman, Sach's Ballard. The insurers have always operated as very long-term investors. Prudential Life Insurance bought the land under New York City's Empire State Building in 1951 and a decade later bought the building itself, which it still owns. The records of the major insurers are replete with such examples of long-term investments and of successful endurance of the past lows in real estate cycles and then enviable rewards in the next upturn.

Moreover, this time, the investors are even better positioned than in earlier periods to withstand adversity.

The insurers have increased their equity participations in office building development, so that they have even greater control over the project and its financial stability. And in this cycle, they have given themselves longer periods of time to rent up buildings by lengthening the terms of the construction loans to five-to-seven years from the old standard two-to-three years. Their object is to get the building fully rented before it is mortgaged, and then to turn it over to another owner at a premium price.

One-stop financing

The major insurers—Prudential, Equitable and Aetna—have also diversified their real estate involvement so that they are now one-stop real estate financial institutions, offering construction and mortgage financing as well as taking equity positions. For example, Equitable Life Assurance Society financed an 800,000 square foot, 36-story tower in downtown Chicago, which was completed last year, with a $100 million construction loan, which was then replaced with a ten-year mortgage in the same amount. It has a 50% equity interest in the building: its partner is Urban Investment & Development, a subsidiary of Aetna Life & Casualty.

The insurers are also acting as conduits for the corporate pension fund investors, who rely upon their expertise in picking properties, construction and setting financing terms. "I don't see much risk for the pension funds because the insurance companies are putting them into 95%-occupied buildings," says Goldman, Sachs' Ballard "You don't need deep pockets when a building is 95% leased."

"The pension funds have been supplying big bucks for real estate during the 1980s," notes Equitable's Peacock. According to statistics collected by *Pensions & Investment Age* magazine, five of the nation's largest insurance companies have amassed real estate investment pools of pension fund money totalling $12.7 billion.

Moreover, the corporate pension funds' appetite for real estate is growing. They have steadily increased their commitments since they began investing in real estate in the early 1970s. Most recently, some are testing the waters by directly participating in developing. For example, Textron, Atlantic Richfield Co., United Technologies and Dow Chemical are joint-venturing with Cadillac Fairview, the Canadian developer in a fourteen-story office building in Washington, D. C. In the deal, which was structured by real estate advisers Lehndorff & Babson, the pension funds are providing $82.5 million in construction financing and Cadillac-Fairview is providing the land; and they will share equally in the cash flow from the completed building, after the pension funds recoup their initial investment.

The corporate pension funds are also significant and savvy investors in mortgages. Despite the attraction of higher yielding mortgages over corporate bonds, they fear getting bagged with thirty-year paper if interest rates turn up. Thus, they are protecting themselves by drastically shortening the duration of their commitments and forcing a reduction of maturities on commercial property mortgages.

As a result, the terms of new commercial mortgages are shrinking dramatically. In 1980, 42% of all commercial mortgages were for 15 years or longer, according to the American Council of Life Insurance, but last year only 7% were for that duration. Moreover, last year a whopping 81% of all commercial real estate mortgages were for ten years or less.

Another group of investors, who are in for the long pull, are the real estate syndications, made up of partnership of individual investors. Their limited partnership interests are not very liquid investments, and therefore the individuals, if they like it or not, are generally long-term investors. As a result, this category of office building owners are also a good bet to hold on even when the cash flow from their buildings decline and thus are likely to maintain the stability of the market in a downturn. Public syndications have expanded their market commitment to $30 billion as of the end of 1983, and are expected to raise another $5.5 billion this year, with about 20% of the total in office building ownership.

In addition, the financial services giants—Merrill Lynch, American Express and Sears, Roebuck and Co.—in their eagerness to be recognized as full-service real estate firms, have jumped into office building construction lending, mortgage financing, joint venture arranging, directing pension fund investing and taking direct participations themselves.

Brokers become builders

American Express has taken an equity position in a complex of three office buildings in Honolulu. And Merrill Lynch & Co. has taken a major equity interest in two office towers in New York City, which they are jointly developing with Olympia & York.

Neither are the foreigners who have bought into the office building market likely to pull out or dump properties when faced with higher vacancy rates. Even if the returns drop on properties in the U.S., they still outshine the low rates of return that northern European investors experience at home. And the Far Eastern, Mid-Eastern and Latin American investors have put their money here in search of stability and preservation of capital and not for lush returns. So the expectation is that they too will stick out any downturn.

At the same time, the developers—the traditional risk-takers of the business—have reduced their portion of the stakes. Even such mighty—and well-heeled—property barons as Trammell Crow Co., Canadian giant Olympia & York and Tishman-Speyer are taking smaller equity positions in the projects they conceive. Instead, they derive a greater share of their revenues from the fees they collect from lenders and from equity owners for managing these mammoth construction projects.

SUN BELT SPACE GOES ABEGGING

The cities in the Sunbelt have been the hardest hit by office vacancies, according to Coldwell Banker's survey of downtown properties as of June 30th. Here are the nine major market cities with populations over 300,000 that have the highest vacancy rates:

Houston	**21.1%**
Denver	**20.8**
Portland	**20.8**
New Orleans	**20.6**
San Diego	**17.4**
Nashville	**17.0**
Phoenix	**16.9**
Dallas	**16.2**
Miami	**15.5**

The market participants who are expected to get hurt when the downturn finally comes are the short-term lenders. Analysts are worried most about the savings & loans that have ventured into commercial real estate in a big way for the first time in this cycle. Some companies, such as San Diego's Home Federal Savings & Loan, Glendale Federal S&L and Vernon S&L in Texas, are considered to be doing a professional job of buying equity interests in many parts of the country. But other S&Ls, analysts say, are novices who are overinvolved in already overbuilt markets and paying too much for properties. "Unfortunately, the S&Ls' zeal often exceed their knowledge," Real Estate Research's Lachman observes. "If a single group is a candidate for the dubious distinction of becoming in the late 1980s what the REITS were in the 1970s, it would have to be the S&Ls," she says.

Another group that will probably suffer are the banks. They have gotten burned in making short-term construction loans in every past market debacle and are expected to do so again. Instead of competing with the Real Estate Investment Trusts for the short-term construction loan business as they did in the mid-1970s, this time their rivals are credit companies and savings & loans, whose powers to make loans on commercial real estate projects were expanded by Congress in 1982. In their eagerness for business, the banks are making construction loans for five-to-seven years at a floating rate over prime, instead of one-to-three year loans at fixed rates as they did as recently as two years ago. Insurance company executives believe that the banks are not sufficiently familiar with the projects they are financing to do this comfortably and therefore may end up having to roll over or defer interest payments on some of the construction loans they are booking.

The picture of the new real estate market that emerges from the changes in ownership and financing that have taken place is one of a maturing and less frenetic business. The industry players are becoming fewer, bigger and more capable of mounting projects throughout the country and of attracting funds from throughout the world. For experienced and knowledgeable players, the risks will be reduced and so will the peaks of the financial rewards. As Tishman Speyer's Speyer puts it: "The likelihood of having a gusher has been reduced, but so has the likelihood of having a disaster." Thus, the ups and downs in the real estate cycle itself will be less spectacular.

—Lynn Adkins

The Current Job Openings

GENERAL MANAGEMENT

Chief Executive Officer

POSITION	INDUSTRY	LOCATION	SALARY
	Transportation	East	$300,000
	Medical Products	Midwest	300,000
	Insurance	Midwest	250,000
	Industrial Products	Midwest	250,000
	Machinery	Midwest	225,000
	Consumer Services	Midwest	225,000
	Electronics	West	200,000
	Real Estate	Southeast	200,000
	Service	East	200,000
	Chemical	East	200,000
	Insurance	Southwest	200,000
	Technology	West	200,000
	Restaurant	Southwest	200,000
	Electronics	East	200,000
	Insurance	West	186,000
	Industrial Products	West	175,000
	Food	West	175,000
	Machinery	Northeast	170,000
	Industrial Products	West	155,000
	Plastics	Midwest	150,000
	Health Care	West	150,000
	Pharmaceutical	Midwest	140,000
	Electronics	West	135,000
	Computer	Southwest	127,000
	Manufacturing	East	125,000
	Food	Midwest	125,000
	Publishing	East	125,000
	Electronics	West	120,000
	Biotechnology	West	112,000
	Industrial Products	West	112,000
	Instrumentation	East	100,000
	Manufacturing	Midwest	100,000
	Energy	South	100,000
	Health Care	Midwest	95,000
	Industrial Products	West	95,000
	Computer	West	95,000
	Publishing	Northeast	90,000
	Agriculture	West	90,000
	Industrial Products	West	65,000

President

POSITION	INDUSTRY	LOCATION	SALARY
	Cosmetics	East	400,000
	Service	Northeast	350,000
	Construction	West	335,000
COO	Computer	East	325,000
COO	Electronics	West	300,000
COO	Insurance	Northeast	300,000
	Insurance	Northeast	250,000
	Apparel	Northeast	220,000
	Consulting	East	215,000
	Electronics	West	$200,000
	Computer	East	200,000
	Food	Midwest	200,000
COO	Computer	Midwest	200,000
COO	Holding Company	East	200,000
	Advertising	East	186,000
U.S. Operations	Health Care	Southwest	186,000
	Energy	West	186,000
	Transportation	Midwest	180,000
	Industrial Products	West	180,000
	Manufacturing	East	175,000
	Industrial Products	Southwest	170,000
COO	Manufacturing	West	165,000
	Telecommunications	West	160,000
	Advertising	Southwest	160,000
	Electronics	South	150,000
	Credit	West	150,000
	Hospitality	Southwest	150,000
COO	Transportation	West	150,000
	Home Furnishing	Northeast	150,000
COO	Food	Northeast	135,000
	Manufacturing	East	130,000
	Energy	East	125,000
	Manufacturing	East	125,000
	Real Estate	West	125,000
	Electronics	West	125,000
COO	Electronics	West	125,000
	Metals	Northeast	125,000
COO	Retail	Northeast	125,000
	Apparel	Midwest	120,000
	Metals	Midwest	120,000
	Real Estate	East	112,000
COO	Electronics	South	105,000
	Fast Food	West	100,000
	Education	South	100,000
	Energy	East	100,000
	Service	Northeast	100,000
	Food	West	100,000
	Electronics	Northeast	100,000
	Housewares	Northeast	100,000
	Manufacturing	South	100,000
	Energy	Midwest	100,000
	Transportation	West	100,000
	Freight	West	95,000
U.S.A.	Consumer Products	East	95,000
	Health Care	North	95,000
	Retail	Northeast	95,000
	Mail Order	West	95,000
	Health Care	West	95,000
	Steel	East	90,000
	Machinery	Northeast	90,000
	Consumer Products	East	80,000
	Communications	Northeast	80,000

POSITION	INDUSTRY	LOCATION	SALARY
	Manufacturing	West	$75,000
	Chemicals	Northeast	70,000
	Transportation	South	55,000
	Automotive	Southwest	50,000
Executive VP			
	Energy	East	275,000
Residential	Real Estate	Southwest	250,000
	Manufacturing	West	250,000
	Computer	Midwest	225,000
	Manufacturing	East	200,000
	Construction	East	186,000
	Insurance	West	180,000
	Insurance	Northeast	165,000
COO	Manufacturing	West	155,000
	Consumer Products	East	150,000
	Electronics	East	150,000
Group VP	Electronics	Northeast	150,000
	Chemical	Northeast	135,000
	Engineering	South	125,000
	Metals	Northeast	115,000
	Energy	West	100,000
	Retail	Northeast	100,000
COO	Telecommunications	Southwest	100,000
	Hospitality	Southwest	100,000
	Health Services	Northeast	95,000
COO	Mining	Southwest	90,000
	Industrial Products	Northeast	80,000
Senior VP			
	Health Care	West	225,000
	Medical	West	186,000
	Real Estate	East	185,000
	Retail	Midwest	180,000
	Health Care	East	175,000
	Energy	South	160,000
	Automotive	East	155,000
	Communications	Northeast	150,000
	Building Materials	Southwest	150,000
	Retail	West	150,000
	Travel	East	130,000
	Real Estate	Northeast	125,000
	Construction	South	120,000
	Real Estate	West	120,000
	Computer	Midwest	100,000
	Health Care	West	85,000
	Glass	Northeast	80,000
Technical Serv.	Real Estate	Northeast	80,000
Development	Hospitality	Southwest	75,000
Vice President			
	Hotel	East	150,000
Regional Mgr.	Business Services	Northeast	140,000
	Food Services	Midwest	135,000
Gov. Systems	Communications	East	125,000
	Consulting	Northeast	120,000
Real Estate	Insurance	Northeast	120,000
	Machinery	Midwest	120,000
Food & Bev.	Hospitality	Northeast	112,000
Supply	Energy	Southwest	112,000
Property	Real Estate	East	112,000
Administration	Electronics	West	112,000
Real Estate	Insurance	Midwest	112,000

POSITION	INDUSTRY	LOCATION	SALARY
Leasing	Real Estate	West	$100,000
Nuclear	Utilities	South	100,000
Design	Retail	Midwest	100,000
International	Chemicals	West	100,000
	Television	West	100,000
International	Consumer Products	Midwest	100,000
	Transportation	Midwest	100,000
	Real Estate	West	95,000
Customer Service	Travel	East	90,000
	Television	Midwest	85,000
	Insurance	West	85,000
Real Estate	Restaurant	West	80,000
Division	Health Care	West	80,000
Corp. Services	Real Estate	Midwest	55,000
General Manager			
Executive VP	Food	West	350,000
Executive VP	Consumer Products	Southeast	348,000
Senior VP	Computer	West	294,000
	Electronics	East	165,000
Vice President	Construction	South	160,000
Vice President	Aerospace	East	160,000
	Food	West	150,000
	Manufacturing	Midwest	150,000
Vice President	Manufacturing	South	145,000
COO	Paper	Southeast	140,000
Vice President	Direct Mail	West	135,000
	Chemical	Midwest	130,000
Vice President	Paper	Midwest	125,000
U.S. Operations	Food	Southwest	125,000
Senior VP	Real Estate	West	120,000
Vice President	Aerospace	Southwest	112,000
Vice President	Manufacturing	West	112,000
Senior VP	Computer	Midwest	106,000
Senior VP	Computer	Midwest	105,000
COO	Manufacturing	West	100,000
Vice President	Electronics	West	100,000
	Electronics	Midwest	95,000
	Instrumentation	Midwest	95,000
	Utilities	Midwest	90,000
COO	Retail	West	90,000
Vice President	Manufacturing	East	85,000
	Medical Products	East	82,000
	Manufacturing	East	80,000
	Pharmaceuticals	Northeast	85,000
	Industrial Products	Midwest	80,000
	Services	Northeast	75,000
	Manufacturing	West	75,000
	Electronics	East	75,000
	Real Estate	South	70,000
	Retail	West	70,000
	Construction	West	70,000
	Rubber	Midwest	70,000
	Hotel	Midwest	62,000
	Food	West	60,000
	Leisure	East	55,000
	Hospitality	Brazil	50,000
	Transportation	Midwest	50,000
	Automotive	Southwest	45,000
Director			
Security	Energy	West	100,000

(continued)

POSITION	INDUSTRY	LOCATION	SALARY
Managing	Insurance	East	$135,000
International	Consumer Products	Midwest	120,000
Executive	Transportation	West	112,000
Regional	Insurance	East	100,000
	Consulting	Northeast	100,000
Executive	Health Care	West	95,000
	Electrical	Northeast	90,000
Project	Real Estate	South	90,000
	Apparel	Southeast	90,270
Corporate	Industrial Products	Midwest	80,000
	Machinery	Northeast	80,000
Telecom.	Communications	West	80,000
	Machinery	West	75,000
Licensing	Real Estate	Northeast	75,000
Station	Airline	Northeast	75,000
Managing	Education	Northeast	75,000
Biochemical	Pharmaceuticals	Midwest	75,000
Managing	Metals	Northeast	75,000
Executive	Health Care	South	75,000
Administration	Energy	East	70,000
Projects	Insurance	South	70,000
Customer Service	Manufacturing	Southeast	70,000
	Machinery	Northeast	65,000
	Machinery	Southwest	65,000
	Aerospace	Midwest	65,000
Managing	Chemical	Northeast	60,000
Food Service	Manufacturing	West	60,000
Outside	Technology	Southeast	60,000
Property	Hospitality	East	60,000
Leasing	Retail	Southeast	55,000
	Restaurant	West	55,000
	Transportation	Midwest	55,000
Managing	Transportation	Southwest	52,000
Fulfillment	Retail	East	50,000
Manager			
Project	Utilities	Northeast	200,000
	Consulting	East	170,000
Regional	Real Estate	Midwest	130,000
Construction	Transportation	West	125,000
Regional	Energy	Southwest	125,000
Regional	Cosmetics	East	120,000
	Wholesale	Southwest	85,000
	Industrial Products	Midwest	85,000
	Real Estate	South	80,000
	Construction	East	75,000
	Health Care	West	75,000
Business Research	Pharmaceuticals	Midwest	65,000
	Electrical	Northeast	65,000
Office	Real Estate	Midwest	55,000
Building	Real Estate	Midwest	55,000
Terminals	Transportation	Midwest	50,000
	Business Services	Northeast	50,000
	Metals	South	45,000

DIVISION

President			
	Apparel	East	500,000
	Textile	South	200,000
	Consumer Products	Northeast	200,000
	Pharmaceuticals	Southwest	200,000
	Computer	Northeast	185,000
	Financial Services	East	175,000

POSITION	INDUSTRY	LOCATION	SALARY
	Food	Southwest	$160,000
	Electronics	Midwest	155,000
	Electronics	East	145,000
	Cosmetics	East	130,000
	Engineering	West	130,000
	Manufacturing	Southeast	125,000
	Manufacturing	Northeast	125,000
	Manufacturing	South	120,000
	Food Services	West	120,000
	Consumer Products	Northeast	120,000
	Consumer Products	East	111,000
	Instrumentation	East	110,000
	Computer	Midwest	110,000
COO	Consumer Products	Northeast	105,000
	Metals	Midwest	105,000
	Manufacturing	South	100,000
	Paper	Northeast	100,000
	Publishing	Midwest	100,000
	Consumer Products	East	95,000
COO	Computer	Midwest	85,000
	Computer	Northeast	85,000
Senior VP			
	Insurance	West	75,000

FINANCE

Chief Executive Officer			
	Financial Services	Midwest	300,000
	Financial Services	West	250,000
	Banking	Southwest	225,000
	Financial Services	Northeast	190,000
	Banking	East	180,000
	Banking	West	155,000
	Banking	West	140,000
	Banking	Southeast	125,000
	Banking	Southwest	75,000
President			
	Investment Banking	Midwest	290,000
	Financial Services	East	200,000
	Banking	Northeast	200,000
COO	Banking	East	160,000
	Venture Capital	Northeast	135,000
	Financial Services	Southwest	135,000
	Banking	East	130,000
	Banking	Southwest	125,000
	Financial Services	West	100,000
Partner			
Managing	Financial Services	Midwest	200,000
	Financial Services	Northeast	200,000
Health Care	Accounting	East	150,000
Tax	Accounting	East	130,000
Tax-Securities	Accounting	East	110,000
Tax	Accounting	East	125,000
Tax	Accounting	East	120,000
Bankruptcy	Accounting	East	100,000
	Financial Services	East	100,000
Managing Director			
	Banking	East	1 mill
	Financial Services	Northeast	500,000
	Financial Services	East	400,000

POSITION	INDUSTRY	LOCATION	SALARY
Chief Financial Officer			
	Financial Services	East	$200,000
Executive VP	Manufacturing	Midwest	200,000
Senior VP	Electronics	Northeast	200,000
	Military Equipment	Northeast	200,000
	Banking	West	190,000
	Publishing	South	190,000
	Financial Services	Midwest	180,000
Senior VP	Transportation	East	160,000
	Mining	Southwest	150,000
Executive VP	Hotel	Northeast	150,000
	Banking	Northeast	150,000
Vice President	Chemical	Midwest	150,000
Vice President	Pharmaceutical	Southwest	150,000
	Health Care	Midwest	150,000
Senior VP	Banking	East	150,000
	Manufacturing	West	150,000
	Retail	Northeast	135,000
	Military Ordnance	Northeast	135,000
	Leasing	Midwest	130,000
	Real Estate	South	130,000
	Furniture	Midwest	130,000
Executive VP	Banking	West	125,000
Vice President	Manufacturing	East	125,000
Executive VP	Banking	East	125,000
Executive VP	Business Services	West	120,000
	Health Care	East	120,000
	Manufacturing	Midwest	110,000
	Finance	Midwest	110,000
	Finance	Midwest	100,000
	Entertainment	West	100,000
	Banking	Southwest	100,000
	Banking	West	100,000
	Service	Southwest	100,000
Vice President	Electronics	West	100,000
	Fast Food	West	100,000
	Health Care	West	95,000
	Health Care	Midwest	90,000
	Machinery	Northeast	90,000
	Paper	West	90,000
	Machine Tools	Midwest	90,000
	Industrial Products	Midwest	90,000
	Banking	Northeast	85,000
	Hotel	West	80,000
	Health Services	West	70,000
& Treasurer	Broadcasting	Southwest	60,000
	Medical	West	60,000
Chief Operating Officer			
	Banking	West	112,000
Executive VP			
	Finance	East	500,000
& Administration	Conglomerate	East	275,000
	Banking	West	220,000
Banking	Financial Services	Midwest	175,000
Area	Banking	Northeast	175,000
Investments	Banking	East	160,000
	Health Care	East	150,000
	Financial Services	Northeast	150,000
	Investment Banking	Midwest	150,000
Trust	Banking	Northeast	$140,000
Corporate	Financial Services	West	130,000
	Banking	East	125,000
Telecommunications	Banking	West	110,000
Credit	Banking	Southeast	95,000
	Banking	Northeast	90,000
Senior VP			
Research	Investment	Northeast	300,000
& Administration	Manufacturing	Midwest	250,000
Syndication	Banking	Southwest	215,000
Real Estate	Banking	East	215,000
& Administration	Electronics	Southwest	190,000
Insurance	Banking	East	186,000
	Real Estate	Southwest	175,000
	Investment Banking	Midwest	150,000
CUO	Service	West	140,000
	Banking	Northeast	135,000
Regional	Banking	East	125,000
Manager	Banking	East	125,000
Chief Acctg.	Insurance	East	120,000
	Banking	West	120,000
	Banking	West	120,000
Real Estate	Banking	West	112,000
	Management	Northeast	110,000
Tax	Financial Services	Northeast	110,000
Branch	Banking	East	100,000
Manager	Banking	Northeast	100,000
	Banking	South	95,000
EDP	Banking	Northeast	90,000
	Financial Services	Northeast	90,000
Operations	Banking	Northeast	90,000
Lending	Banking	Northeast	75,000
	Banking	Northeast	70,000
Vice President			
Lending	Banking	West	600,000
	Banking	East	300,000
	Banking	East	250,000
Corporate Finance	Investment Banking	Southwest	225,000
	Investment Banking	East	200,000
Bonds	Financial Services	Northeast	190,000
Administration	Financial Services	Northeast	170,000
	Credit	Northeast	165,000
Insurance	Energy	Northeast	160,000
	Manufacturing	Midwest	150,000
	Real Estate	West	150,000
Corporate	Financial Services	Northeast	150,000
Tax	Manufacturing	Midwest	130,000
Corporate	Banking	East	125,000
Lending	Financial Services	Southwest	125,000
& Administration	Manufacturing	East	125,000
	Chemical	Midwest	125,000
	Electronics	East	125,000
Administration	Electronics	West	125,000
Analyst	Investment Banking	East	125,000
Lending	Banking	West	112,000
Investments	Finance	West	112,000
Technology	Banking	West	112,000
Custody	Banking	East	112,000
	Manufacturing	Midwest	110,000
	Electronics	Southwest	110,000
	Banking	East	100,000
Tax	Banking	East	100,000

(continued)

POSITION	INDUSTRY	LOCATION	SALARY
Foreign Exchange	Banking	East	$100,000
Asset Man.	Insurance	East	100,000
Corporate	Banking	East	100,000
Capital Markets	Banking	East	100,000
	Consumer Products	East	100,000
Investments	Banking	Northeast	100,000
	Energy	Southwest	100,000
Services	Banking	East	100,000
	Manufacturing	Northeast	100,000
	Investment Banking	Northeast	100,000
	Conglomerate	East	100,000
Private Place.	Banking	East	100,000
	Leasing	West	95,000
Lending	Banking	West	95,000
Private Bank.	Financial Services	West	95,000
Constr. & Loan	Banking	West	95,000
	Banking	West	95,000
Asset Man.	Real Estate	Southwest	95,000
Casualty	Insurance	Southwest	95,000
	Real Estate	West	95,000
	Health Care	Southwest	95,000
	Energy	Southwest	95,000
Credit	Travel	East	90,000
& Administration	Apparel	East	90,000
& Administration	Consumer Products	East	85,000
	Banking	Northeast	85,000
Production	Insurance	Northeast	80,000
Lending	Banking	East	80,000
Treaty Reins.	Insurance	Southwest	80,000
Lending	Financial Services	West	80,000
Treasurer	Insurance	Northeast	80,000
	Investment Banking	Midwest	80,000
	Advertising	East	80,000
	Aerospace	West	75,000
	Banking	East	75,000
Corporate	Financial Services	East	75,000
	Banking	Northeast	75,000
Check Proc.	Banking	Midwest	75,000
	Chemical	Midwest	75,000
	Investment Banking	Northeast	75,000
Lending	Financial Services	Southwest	75,000
	Banking	Midwest	75,000
Group Head	Banking	East	75,000
Area Mgr.	Mortgage	Southwest	70,000
Lending	Banking	East	70,000
	Automotive	West	70,000
Trust Services	Banking	West	70,000
	Automotive	West	65,000
Audit	Computer	Northeast	65,000
	Trust	Northeast	65,000
	Investment Banking	Northeast	60,000
	Investment Banking	Midwest	60,000
	Banking	East	60,000
	Banking	Southwest	60,000
	Banking	Southwest	60,000
	Commercial Banking	Northeast	60,000
Auditor	Banking	West	60,000
	Trust	Midwest	55,000
	Trust	Northeast	55,000
	Banking	Northeast	55,000
	Banking	Northeast	50,000

POSITION	INDUSTRY	LOCATION	SALARY
Controller			
	Banking	Northeast	$125,000
Assistant	Energy	Northeast	125,000
	Banking	West	120,000
Vice President	Chemical	East	100,000
Vice President	Financial Services	East	100,000
Assistant	Paper	Northeast	95,000
Assistant	Rubber	Northeast	95,000
	Plastics	Northeast	95,000
Vice President	Energy	East	90,000
	Energy	Southwest	83,000
	Mining	Northeast	82,000
	Manufacturing	West	80,000
Vice President	Industrial Products	East	80,000
	Manufacturing	Midwest	80,000
	Insurance	West	80,000
	Energy	Southwest	80,000
Division VP	Electronics	West	75,000
	Manufacturing	Southwest	75,000
	Electronics	Midwest	75,000
	Banking	Midwest	72,000
Corporate	Computer	West	70,000
	Technology	West	70,000
Assistant	Industrial Products	Northeast	70,000
	Health	West	70,000
	Manufacturing	Northeast	60,000
International	Manufacturing	East	60,000
	Electronics	West	60,000
Division	Food	West	55,000
Treasurer			
Vice President	Retail	West	160,000
Vice President	Financial Services	Midwest	153,000
	Motion Pictures	West	150,000
	Rubber	Midwest	95,000
Vice President	Chemical	East	95,000
	Manufacturing	South	95,000
	Pharmaceutical	East	90,000
	Health Care	Midwest	90,000
Assistant	Industrial Products	Midwest	90,000
Assistant	Electronics	Southwest	75,000
	Chemical	Southeast	60,000
Director			
Project	Aerospace	Northeast	190,000
Managing	Banking	East	186,000
Internal Audit	Conglomerate	Midwest	125,000
	Real Estate	West	115,000
Tax	Retail	Midwest	100,000
Oil & Gas	Banking	East	95,000
	Food	West	85,000
	Financial Services	West	80,000
Investments	Insurance	Southwest	80,000
Internal Audit	Insurance	Northeast	80,000
Audit	Consumer Products	Midwest	75,000
Taxes	Health Care	South	75,000
	Rubber	Midwest	68,000
Cash Management	Aerospace	Southwest	65,000
Real Est. Loans	Banking	West	60,000
Manager			
Fixed Income	Financial Services	West	200,000
Investments	Banking	East	200,000

POSITION	INDUSTRY	LOCATION	SALARY
Financial Plan.	Banking	Northeast	$190,000
Accounts	Financial Services	West	150,000
Group	Financial Services	Southwest	125,000
	Banking	Northeast	125,000
Portfolio	Financial Services	Southwest	120,000
	Financial Services	Northeast	115,000
Assistant	Financial Services	East	104,000
Consumer Credit	Insurance	West	95,000
Securities	Real Estate	East	95,000
	Banking	Northeast	90,000
	Financial Services	West	85,000
Tax	Accounting	Southwest	80,000
	Accounting	Northeast	80,000
Portfolio	Financial Services	Midwest	75,000
Pricing	Electronics	Midwest	70,000
Portfolio	Investment	Midwest	70,000
International	Insurance	West	70,000
Municipal Finance	Banking	Northeast	67,000
Credit	Manufacturing	West	65,000
Estimating	Electronics	West	65,000
Audit	Entertainment	West	60,000
Accounting	Health Care	Southwest	60,000
Portfolio	Financial Services	West	60,000
	Computer	Midwest	60,000
	Manufacturing	Midwest	60,000
Senior Tax	Entertainment	West	60,000
Business	Pharmaceutical	Midwest	55,000
Property Tax	Transportation	Midwest	55,000
Accounting	Electronics	Midwest	55,000
Telecommunications	Credit	West	55,000
Tax	Electronics	Midwest	55,000

Officer

POSITION	INDUSTRY	LOCATION	SALARY
Chief	Banking	East	350,000
Sr. Bond Trader	Financial Services	Midwest	165,000
Sr. Loan	Banking	West	110,000
Sr. Trust	Banking	South	80,000
Corporate	Banking	Southwest	75,000

MANUFACTURING

Executive VP

POSITION	INDUSTRY	LOCATION	SALARY
Operations	Metal Products	South	200,000
	Industrial Products	East	150,000
Operations	Electronics	Northeast	130,000
Operations	Energy	Southwest	130,000
Operations	Consumer Services	Midwest	125,000
Operations	Business Services	Midwest	125,000
	Manufacturing	West	112,000
Operations	Office Equipment	West	130,000

Vice President

POSITION	INDUSTRY	LOCATION	SALARY
Operations	Construction	West	150,000
	Manufacturing	Midwest	145,000
	Computer	West	125,000
	Printing	Midwest	125,000
	Machinery	West	115,000
	Metal Products	East	110,000
Quality Assurance	Electronics	Northeast	110,000
Operations	Energy	South	105,000
Operations	Aerospace	South	105,000
	Electronics	West	100,000
	Manufacturing	East	$100,000
	Consumer Products	East	100,000
Construction	Real Estate	West	95,000
Construction	Hospitality	West	90,000
Operations	Health	West	90,000
Operations	Manufacturing	West	90,000
	Textile	Northeast	80,000
	Robotics	Midwest	80,000
	Publishing	Northeast	75,000
Construction	Real Estate	Southwest	75,000
Operations	Retail	East	75,000
Operations	Real Estate	Southwest	75,000
Operations	Manufacturing	Midwest	75,000
Distribution	Cosmetics	West	75,000
Distribution	Grocery	West	70,000
Construction	Real Estate	Southwest	70,000
Operations	Transportation	Midwest	65,000
	Textiles	West	65,000
Estimator	Construction	South	55,000
Project	Construction	East	55,000

Director

POSITION	INDUSTRY	LOCATION	SALARY
Quality Assurance	Manufacturing	Midwest	125,000
	Technology	Midwest	120,000
	Semiconductor	West	115,000
International	Cosmetics	East	100,000
Operations	Electronics	Southwest	95,000
	Electrical	Northeast	90,000
Operations	Telecommunications	Midwest	80,000
	Machinery	West	75,000
	Publishing	Northeast	75,000
	Industrial Products	South	67,000
	Industrial Products	West	65,000
Operations	Energy	East	65,000
Operations	Aerospace	Southwest	60,000
	Chemical	Northeast	60,000
	Plastic	Southeast	60,000
Operations	Advertising	East	60,000
	Chemical	Northeast	60,000
	Electrical	Northeast	55,000
	Transportation	Midwest	55,000
Contracts	Manufacturing	West	55,000

Manager

POSITION	INDUSTRY	LOCATION	SALARY
Test	Electronics	West	155,000
	Construction	Northeast	113,000
	Electronics	West	85,000
Materials	Industrial Products	Midwest	80,000
	Manufacturing	Midwest	80,000
Operations	Mining	Southwest	75,000
	Manufacturing	East	75,000
Controls	Equipment Manuf.	Midwest	75,000
	Industrial Products	Northeast	65,000
Operations	Manufacturing	South	65,000
	Manufacturing	Midwest	65,000
Materials	Electronics	West	65,000
Quality Assurance	Industrial Products	West	60,000
Operations	Manufacturing	East	60,000
Materials	Metal Products	Midwest	60,000
	Food	Midwest	60,000
District	Industrial Products	West	55,000
	Apparel	Southeast	55,000
Operations	Industrial Products	West	54,000

(continued)

POSITION	INDUSTRY	LOCATION	SALARY
Technology	Consumer Products	Midwest	$45,000
Production	Electronics	Midwest	45,000
	Chemical	Southeast	45,000
Plant Manager			
	Metal Products	South	85,000
	Metal Products	Midwest	84,000
	Diecasting	Midwest	60,000
	Mining	Midwest	60,000
	Plastics	East	45,000

MARKETING

POSITION	INDUSTRY	LOCATION	SALARY
Executive VP			
	Consumer Products	Southeast	300,000
	Banking	East	225,000
	Insurance	West	200,000
	Energy	Northeast	190,000
	Manufacturing	Midwest	125,000
	Machinery	Northeast	125,000
	Hospitality	Southwest	100,000
Senior VP			
	Pharmaceutical	East	250,000
	Retailing	East	250,000
Worldwide	Electronics	Southwest	190,000
	Consumer Products	West	180,000
	Manufacturing	Southwest	150,000
Product Devel.	Electronics	East	150,000
	Electronics	West	150,000
	Leasing	East	130,000
	Financial Services	South	100,000
	Insurance	Southeast	100,000
	Consumer Products	Northeast	92,000
	Insurance	Southwest	90,000
Chief Officer	Banking	Midwest	80,000
	Metal Products	Midwest	65,000
& Distribution	Consumer Products	East	60,000
Vice President			
	Government Services	Southeast	200,000
	Computer	Northwest	170,000
	Food	Northeast	165,000
	Financial Services	Northeast	150,000
	Aerospace	Northeast	150,000
& Sales	Health Care	West	150,000
& Sales	Electronics	East	150,000
	Insurance	Northeast	150,000
& Sales	Manufacturing	Midwest	150,000
& Sales	Computer	Southeast	140,000
	Instrumentation	Northeast	145,000
Product Devel.	Banking	East	125,000
Product Devel.	Electronics	East	125,000
	Manufacturing	Northeast	125,000
	Pharmaceutical	Midwest	125,000
	Electronics	Southeast	125,000
	Retail	Midwest	125,000
	Manufacturing	Northeast	125,000
& Communication	Computer	West	125,000
Retail	Manufacturing	Northeast	125,000
	Financial Services	Southwest	125,000
	Manufacturing	Southeast	125,000
	Computer Services	Southwest	$125,000
& Sales	Health Care	Northeast	122,000
Regional	Health Care	Midwest	122,000
	Food	East	120,000
	Manufacturing	West	120,000
	Instrumentation	West	120,000
	Metals	Northeast	120,000
& Sales	Holding Company	West	115,000
	Manufacturing	Midwest	115,000
Corporate	Aerospace	Southwest	115,000
Development	Food	Southwest	110,000
	Consulting	Midwest	108,000
	Machinery	West	105,000
	Publishing	Midwest	103,000
	Aerospace	Midwest	100,000
& Sales	Manufacturing	East	100,000
	Financial Services	Northeast	100,000
Merch. Mgr.	Manufacturing	East	100,000
	Electronics	Midwest	100,000
	Food	East	100,000
& Sales	Services	South	100,000
	Financial Services	Southwest	100,000
Development	Spirits	Northeast	100,000
	Consumer Products	Midwest	98,000
& Sales	Industrial Products	Midwest	95,000
	Consumer Products	East	95,000
& Sales	Health Care	Southwest	95,000
Military	Manufacturing	East	95,000
	Food	South	95,000
	Apparel	East	95,000
	Aerospace	Southwest	95,000
	Electronics	West	95,000
	Hotel	Southwest	95,000
	Apparel	Midwest	95,000
Middle Market	Banking	Northeast	95,000
	Energy	Southwest	95,000
	Retail	East	90,000
& Sales	Insurance	Midwest	90,000
	Consumer Products	Northeast	90,000
	Financial Services	East	90,000
	Freight	East	90,000
Corporate	Military Equipment	Northeast	90,000
Development	Pharmaceutical	Midwest	85,000
	Metals	Northeast	85,000
	Credit	Northeast	85,000
& Sales	Instrumentation	Midwest	80,000
Product Devel.	Manufacturing	West	80,000
	Manufacturing	Midwest	80,000
Planning	Health Care	North	80,000
	Plastics	Midwest	80,000
Apparel	Manufacturing	East	80,000
& Advertising	Retail	West	80,000
	Electronics	West	80,000
	Retail	Midwest	80,000
	Manufacturing	Midwest	80,000
	Travel	Midwest	75,000
& Sales	Chemical	South	75,000
& Sales	Retail	West	75,000
New Products	Manufacturing	Midwest	75,000
	Apparel	East	75,000
	Energy	West	75,000

(continued)

POSITION	INDUSTRY	LOCATION	SALARY
	Manufacturing	East	$75,000
Consumer	Electronics	East	75,000
	Metals	South	75,000
	Metals	Northeast	75,000
	Financial Services	East	75,000
& Planning	Electrical	Midwest	75,000
& Sales	Insurance	Southeast	73,000
Retail	Banking	East	70,000
& Sales	Computer	East	70,000
	Computer	West	70,000
Product	Industrial Products	Midwest	70,000
Product	Insurance	South	70,000
	Photography	Midwest	67,000
	Machinery	Midwest	67,000
& Sales	Engineering	East	65,000
	Building Materials	Southeast	65,000
	Electrical	Northeast	65,000
	Business Services	Midwest	60,000
	Medical Products	West	60,000
	Transportation	Midwest	60,000
	Electronics	Northeast	60,000
Asst.	Financial Services	Northeast	50,000
	Credit	Southwest	45,000

Director

POSITION	INDUSTRY	LOCATION	SALARY
	Telecommunications	Northeast	180,000
National	Insurance	West	140,000
Multinational	Computer	East	125,000
Division	Electronics	West	115,000
	Office Products	Midwest	100,000
	Electronics	Midwest	100,000
Transportation	Financial Services	East	100,000
	Consumer Products	West	100,000
	Pharmaceuticals	Midwest	100,000
	Computer	Southwest	100,000
	Electronics	Southeast	95,000
	Manufacturing	Southwest	95,000
	Real Estate	Midwest	95,000
	Telecommunications	South	95,000
& Sales	Electronics	Southwest	95,000
	Paper	West	95,000
	Electronics	Midwest	90,000
VP	Banking	Northeast	90,000
Creative	Direct Mail	Midwest	90,000
& Sales	Construction	West	90,000
	Insurance	Northeast	85,000
Promotional	Advertising	Midwest	85,000
& Sales	Food	Southwest	80,000
	Insurance	Midwest	80,000
	Technical Services	West	75,000
	Industrial Products	East	75,000
& Sales	Insurance	Midwest	75,000
Europe	Electronics	Northeast	75,000
Field Service	Electronics	Southwest	75,000
	Manufacturing	West	75,000
& Sales	Computer	Southwest	75,000
Product	Pharmaceutical	Midwest	70,000
& Advertising	Travel	West	70,000
	Airline	Southwest	70,000
	Television	Northeast	65,000
Consumer	Financial Services	East	65,000
	Instrumentation	Southwest	60,000
	Computer	West	60,000
Licensing	Entertainment	East	60,000

POSITION	INDUSTRY	LOCATION	SALARY
	Travel	West	$60,000
International	Construction	Southwest	55,000
	Transportation	Southwest	55,000
	Building Materials	West	50,000
& Sales	Computer	West	50,000

Manager

POSITION	INDUSTRY	LOCATION	SALARY
	Chemical	Southwest	110,000
Group	Food	East	100,000
& Sales	Computer	Midwest	100,000
	Electronics	Northeast	90,000
	Retail	South	90,000
	Food	Southwest	90,000
Natural Gas	Energy	Southwest	90,000
	Food	Southwest	85,000
Group Product	Conglomerate	East	85,000
Group	Health Products	Midwest	80,000
	Manufacturing	Midwest	80,000
	Computer	Midwest	78,000
Product	Machinery	Midwest	76,000
Product	Chemical	South	75,000
Product	Computer	Midwest	75,000
New Products	Plastics	Midwest	75,000
Product	Electronics	East	75,000
Product	Chemical	West	70,000
	Manufacturing	Midwest	70,000
New Products	Cosmetics	West	70,000
Regional	Food Services	Southeast	68,000
Brand	Food	Southwest	66,000
Account	Banking	West	65,000
Development	Electrical	West	65,000
	Manufacturing	Midwest	65,000
	Food	Northeast	65,000
Product	Pharmaceutical	Midwest	60,000
	Consumer Products	South	60,000
	Beverage	Northeast	60,000
Product	Distribution	Northeast	60,000
Account	Transportation	East	60,000
Senior Product	Cosmetics	West	60,000
National	Financial Services	East	60,000
Senior Product	Food	West	60,000
Senior Product	Conglomerate	East	60,000
	Marketing	West	60,000
Product	Computer	West	57,000
	Industrial Products	Midwest	55,000
Corp. Accounts	Banking	West	55,000
Product	Manufacturing	South	55,000
Pricing	Communications	South	55,000
& Sales	Health Care	West	55,000
Product	Apparel	East	55,000
	Food	Northeast	50,000
Product	Conglomerate	East	50,000

SALES

Senior Vice President

POSITION	INDUSTRY	LOCATION	SALARY
	Financial Services	West	90,000
Business	Banking	Midwest	70,000

Vice President

POSITION	INDUSTRY	LOCATION	SALARY
Distributor	Manufacturing	Midwest	160,000
	Services	West	160,000
	Apparel	East	155,000
	Apparel	East	130,000
Regional	Financial Services	Southwest	125,000

(continued)

POSITION	INDUSTRY	LOCATION	SALARY
	Manufacturing	East	$120,000
	Manufacturing	Southwest	120,000
	Insurance	West	120,000
	Computer	West	110,000
	Manufacturing	West	100,000
Merchandising	Retail	Northeast	95,000
	Consumer Products	Northeast	95,000
	Manufacturing	Midwest	95,000
	Electronics	Northeast	91,000
	Energy	Southwest	90,000
	Plastics	East	85,000
	Food	Northeast	85,000
	Retail	West	80,000
Regional	Electronics	Midwest	80,000
Technical	Banking	East	80,000
	Credit	Northeast	80,000
	Computer	Midwest	75,000
	Musical Instruments	Northeast	75,000
Regional	Computer	West	75,000
	Food	Northeast	74,000
	Food	Midwest	70,000
	Plastics	Midwest	70,000
Industry	Coal	Midwest	70,000
	Insurance	South	61,000
	Coal	East	60,000
Distribution	Consumer Products	Midwest	60,000
Director			
Multinational	Computer	East	125,000
Export	Banking	East	95,000
International	Manufacturing	Southwest	90,000
	Insurance	Midwest	90,000
	Pharmaceutical	East	90,000
	Industrial Products	Northeast	85,000
	Electronics	Midwest	85,000
	Food Services	Southeast	78,000
European	Electronics	Northeast	75,000
	Electrical	Northwest	75,000
	Electronics	East	75,000
	Technical Services	West	70,000
Customer Service	Transportation	East	70,000
	Food	Southwest	70,000
National	Consumer Products	East	65,000
Training	Food	Midwest	60,000
	Computer	West	60,000
	Electrical	Midwest	60,000
Regional	Real Estate	Northeast	55,000
	Industrial Products	Midwest	50,000
Manager			
	Manufacturing	Northeast	125,000
Area	Computer	East	112,000
Area	Computer	West	112,000
Regional	Electronics	Midwest	105,000
National	Retail	West	100,000
National	Manufacturing	Southwest	100,000
Regional	Electronics	West	98,000
	Chemical	Northeast	90,000
	Food	Midwest	81,000
	Transportation	Midwest	76,000
National	Printing	East	75,000
	Manufacturing	West	$75,000
Regional	Technology	West	75,000
	Technology	West	75,000
Regional	Regulatory	Northeast	75,000
	Manufacturing	Northeast	75,000
National	Electronics	Midwest	75,000
Regional	Aerospace	Southwest	75,000
National	Electronics	West	70,000
Central	Food	Northeast	70,000
	Metals	Midwest	70,000
International	Coal	East	70,000
	Electronics	Southeast	70,000
	Rubber	Southeast	65,000
International	Home Furnishings	Midwest	60,000
Field	Repair Services	Southwest	60,000
	Machinery	Northeast	60,000
Regional	Retail	West	60,000
Regional	Travel	Northeast	60,000
National	Computer	West	60,000
	Building Products	East	60,000
	Industrial Products	Northeast	60,000
Regional	Electrical	West	60,000
	Manufacturing	Southwest	55,000
	Food	West	55,000
	Publishing	Northeast	50,000
National	Electronics	West	50,000
	Wholesale	Southwest	50,000
Regional	Communications	Northeast	50,000
Country	Telecommunications	South	50,000

PERSONNEL

POSITION	INDUSTRY	LOCATION	SALARY
Senior VP			
Human Resources	Energy	Northeast	255,000
Human Resources	Banking	Southwest	110,000
Vice President			
	Chemical	East	186,000
Personnel	Banking	East	125,000
	Food	Midwest	112,000
	Retail	East	112,000
	Holding Company	Midwest	110,000
Human Resources	Manufacturing	Southwest	110,000
	Food	Midwest	102,000
Human Resources	Retail	East	100,000
	Banking	East	100,000
Benefits	Business Services	Midwest	100,000
Human Resources	Consumer Products	East	95,000
Director	Retail	East	95,000
Human Resources	Manufacturing	East	90,000
	Banking	East	90,000
	Food	West	81,000
Human Resources	Health Care	West	80,000
	Apparel	East	80,000
Recruiting	Banking	Northeast	80,000
Human Resources	Computer	West	75,000
	Manufacturing	Northeast	75,000
Training	Banking	Southeast	45,000
Diractor			
	Industrial Products	Midwest	150,000
Compensation	Holding Company	East	140,000

(continued)

POSITION	INDUSTRY	LOCATION	SALARY
Human Resources	Automotive	East	$115,000
Industrial Rel.	Construction	West	95,000
	Utilities	Southeast	85,000
Recruiting	Consulting	East	85,000
Human Resources	Manufacturing	East	80,000
Compensation	Insurance	Northeast	80,000
Human Resources	Insurance	East	75,000
	Aerospace	Southwest	75,000
	Metals	Northeast	75,000
	Glass	Midwest	70,000
Staffing	Telecommunications	Northeast	70,000
Compensation	Telecommunications	Northeast	70,000
Benefits	Transportation	East	70,000
	Health	West	70,000
Planning	Wholesale	Northeast	70,000
Organization	Electrical	Midwest	70,000
	Communications	Midwest	67,000
	Publishing	West	65,000
Employee Relations	Metal Products	Midwest	60,000
Human Resources	Hotel	Midwest	60,000
Human Resources	Manufacturing	West	45,000

Manager

POSITION	INDUSTRY	LOCATION	SALARY
Benefits	Banking	Northwest	80,000
Staffing	Manufacturing	West	75,000
Benefits	Banking	South	75,000
Human Resources	Industrial Products	Midwesr	75,000
Human Resources	Manufacturing	East	70,000
Corporate	Health Care	Northeast	70,000
Personnel	Manufacturing	West	70,000
Recruiting	Banking	South	70,000
Training	Transportation	West	65,000
Labor	Steel	Midwest	65,000
Manpower Dev.	Electrical	Northeast	55,000
Managment Educ.	Rubber	Midwest	50,000
Training	Electronics	Midwest	45,000

PLANNING

Executive VP

POSITION	INDUSTRY	LOCATION	SALARY
Development	Manufacturing	West	150,000
Acquisitions	Health Care	West	140,000
Acquisitions	Banking	Midwest	115,000
Development	Building Materials	West	90,000

Senior VP

POSITION	INDUSTRY	LOCATION	SALARY
	Financial Services	Northeast	180,000
Acquisitions	Insurance	East	180,000
Corporate	Food	East	160,000
Development	Consulting	West	112,000
Development	Education	East	85,000
Development	Education	Northeast	80,000
	Food	Northeast	65,000

Vice President

POSITION	INDUSTRY	LOCATION	SALARY
Acquisitions	Investment Banking	Northeast	270,000
New Ventures	Telecommunications	West	186,000
Acquisitions	Banking	Midwest	130,000
Acquisitions	Finance	Midwest	125,000
Acquisitions	Financial Services	Midwest	120,000
Strategic	Electronics	Midwest	120,000
Acquisitions	Banking	Midwest	115,000
Organization	Business Services	West	110,000
	Transportation	East	$100,000
	Financial Services	Midwest	100,000
	Health Care	West	95,000
	Real Estate	West	95,000
Development	Medical Products	West	75,000

Director

POSITION	INDUSTRY	LOCATION	SALARY
Acquisitions	Financial Services	Northeast	125,000
Acquisitions	Financial Services	East	125,000
Development	Financial Services	West	115,000
	Publishing	Midwest	95,000
Development	Energy	East	95,000
Acquisitions	Food	Midwest	94,000
	Consumer Products	Northeast	90,000
	Military Equipment	Midwest	89,000
	Computer	Midwest	87,000
	Food	Midwest	80,000
International	Aerospace	Southwest	75,000
	Health Care	West	75,000
	Real Estate	Midwest	75,000
	Communications	Northeast	70,000
	Pharmaceutical	Midwest	70,000
Development	Hospitality	West	70,000
	Pharmaceutical	Southeast	63,000
Development	Education	West	45,000

Manager

POSITION	INDUSTRY	LOCATION	SALARY
	Electrical	Midwest	111,000
	Pharmaceutical	Midwest	68,000
	Transportation	Midwest	65,000
Logistics	Consumer Products	East	55,000

PURCHASING

Vice President

POSITION	INDUSTRY	LOCATION	SALARY
	Chemical	East	115,000
	Metals	Midwest	90,000
	Beverage	Midwest	90,000

Director

POSITION	INDUSTRY	LOCATION	SALARY
	Entertainment	East	60,000

Manager

POSITION	INDUSTRY	LOCATION	SALARY
	Electronics	East	70,000
	Metals	East	60,000
	Retail	East	50,000

PUBLIC RELATIONS

Executive VP

POSITION	INDUSTRY	LOCATION	SALARY
Corporate Com.	Hospitality	Southwest	80,000

Vice President

POSITION	INDUSTRY	LOCATION	SALARY
Gov. Relations	Manufacturing	East	135,000
Public Affairs	Transportation	West	90,000
Communications	Insurance	East	75,000

Director

POSITION	INDUSTRY	LOCATION	SALARY
Communications	Food	East	90,000
Gov. Relations	Tobacco	East	90,000
	Telecommunications	Northeast	85,000
	Entertainment	West	80,000
Corp. Relations	Banking	East	70,000

(continued)

POSITION	INDUSTRY	LOCATION	SALARY
Manager			
	Automotive	West	$95,000
Promotion	Consumer Products	Northeast	75,000
Product	Computer	East	50,000

LEGAL

POSITION	INDUSTRY	LOCATION	SALARY
Vice President			
	Leasing	East	100,000
	Banking	Midwest	90,000
General Counsel			
	Chemical	Midwest	125,000
	Energy	East	100,000
Assistant	Energy	Midwest	100,000
Assistant	Rubber	Northeast	90,000
	Insurance	Southwest	90,000
Secretary	Hotel	West	75,000
	Insurance	East	70,000
Director			
Contracts	Electronics	West	80,000
Counsel			
Senior	Financial Services	Northeast	95,000
International	Manufacturing	Midwest	90,000
Legislative	Insurance	East	70,000
Tax	Energy	Midwest	65,000
Patent	Paper	East	60,000
Patent	Paper	Midwest	60,000
Land Use	Service	West	50,000
Land Use	Service	Midwest	50,000

DATA PROCESSING

POSITION	INDUSTRY	LOCATION	SALARY
Senior VP			
Services	Credit	West	100,000
Vice President			
MIS	Consumer Products	Southeast	160,000
Software	Service	Midwest	125,000
	Computer	East	125,000
Operations	Banking	East	125,000
Services	Publishing	Midwest	120,000
MIS	Retail	West	120,000
MIS	Food	Northeast	110,000
MIS	Leasing	East	100,000
Staff EDP	Travel	East	95,000
Development	Computer	Northeast	95,000
Customer Service	Computer	Southwest	90,000
MIS	Holding Company	Northeast	90,000
Development	Wholesale	Northeast	85,000
Operations	Banking	East	80,000
MIS	Automotive	Northeast	75,000
Software	Instrumentation	Midwest	75,000
MIS	Financial Services	Midwest	72,000
Applications	Banking	West	70,000
MIS	Business	Midwest	70,000
Systems Support	Computer	Southwest	70,000
Operations	Computer	Southwest	68,000
MIS	Metal Products	Midwest	60,000
Software	Electrical	Northeast	55,000
MIS	Direct Mail	Northeast	55,000
Director			
MIS	Financial Services	West	$180,000
MIS	Financial Services	West	125,000
MIS	Food	Northeast	100,000
MIS	Financial Services	West	100,000
	Entertainment	Northeast	95,000
Services	Service	West	85,000
MIS	Education	East	80,000
Group MIS	Industrial Products	East	80,000
MIS	Technical Services	West	75,000
	Entertainment	West	75,000
Software	Electronics	Northeast	70,000
MIS	Retail	West	70,000
Education	Computer	Southeast	60,000
MIS	Service	Midwest	60,000
Manager			
Program	Marine	East	150,000
Systems	Financial Services	Northeast	110,000
District	Computer	West	95,000
MIS	Health Care	Southeast	95,000
MIS	Food	West	95,000
Program	Computer	West	80,000
CAD/CAM	Aerospace	West	75,000
Computer	Electronics	East	75,000
Production	Computer	Northeast	75,000
Systems	Energy	Northeast	70,000
Data Base	Lumber	Northwest	70,000
Software	Electrical	West	65,000
	Electrical	Northeast	55,000
MIS	Finance	Southeast	55,000
MIS	Diversified	West	55,000
Operations	Finance	Southeast	55,000
MIS	Real Estate	West	55,000
Applications	Banking	West	46,000

RESEARCH & DEVELOPMENT

POSITION	INDUSTRY	LOCATION	SALARY
Vice President			
Technology	Manufacturing	Midwest	175,000
	Electronics	West	160,000
	Energy	West	160,000
	Chemical	West	121,000
	Textile	Midwest	120,000
Clinical	Chemical	Northeast	114,000
	Food	West	100,000
Technology	Textiles	Northeast	100,000
	Food	Southeast	100,000
	Pharmaceutical	Northeast	85,000
	Electronics	West	80,000
Director			
	Computer	Northwest	108,000
	Chemical	Northeast	105,000
	Electronics	Internatonal	100,000
	Chemical	Northeast	87,000
	Food	Northeast	86,000
	Electronics	Midwest	85,000
	Food	Midwest	80,000
Clinical	Chemical	West	79,000
	Machinery	Northeast	73,000
Development	Computer	Southeast	67,000
Assistant	Chemical	Midwest	60,000
Diagnostics	Biotechnology	Northeast	60,000

(continued)

POSITION	INDUSTRY	LOCATION	SALARY
Manager			
Biotechnology	Energy	Midwest	$155,000
Health Sciences	Chemical	Midwest	80,000
Ecological	Electrical	West	65,000
	Banking	Southeast	65,000
Technical	Electronics	Northeast	55,000

ENGINEERING

POSITION	INDUSTRY	LOCATION	SALARY
Senior VP			
Development	Pharmaceutical	East	250,000
Vice President			
	Construction	West	186,000
	Energy	West	125,000
	Electronics	West	125,000
	Brewing	Southwest	125,000
	Computer	West	125,000
	Electronics	Midwest	100,000
	Construction	Midwest	100,000
Nuclear	Utilities	South	100,000
	Electronics	Midwest	100,000
	Biotechnology	West	95,000
Software	Computer	West	90,000
	Metals	Northeast	85,000
	Computer	West	80,000
	Musical Instruments	Northeast	75,000
	Technology	West	70,000
	Electrical	West	65,000
	Home Furnishings	Midwest	64,000
	Industrial Products	East	55,000
Director			
	Electronics	Northeast	90,000
Chemical	Pharmaceutical	East	90,000
Research	Chemical	South	86,000
	Consumer Products	East	$ 85,000
	Industrial Products	East	75,000
	Pharmaceutical	Midwest	75,000
Environmental	Transportation	West	75,000
	Metals	Southwest	70,000
Process	Pharmaceutical	East	70,000
	Construction	West	65,000
	Lighting	East	65,000
Environmental	Chemical	Northeast	65,000
	Electronics	Northeast	60,000
	Communications	Northeast	60,000
	Aerospace	Southwest	60,000
Environmental	Transportation	West	60,000
	Electrical	West	60,000
Product	Electronics	Southwest	60,000
	Communications	West	50,000
Manager			
	Electrical	Northeast	105,000
Department	Energy	Southwest	100,000
	Computer	West	90,000
Refining	Energy	Northeast	90,000
Project	Health Care	East	80,000
Project	Construction	West	80,000
	Automotive	Midwest	80,000
Program	Computer	West	80,000
Ceramic	Transportation	Midwest	79,000
Project	Real Estate	Southwest	75,000
	Publishing	Midwest	75,000
Senior Project	Real Estate	Southwest	75,000
Development	Computer	Midwest	60,000
Nuclear	Utilities	Southeast	60,000
Nuclear	Utilities	Southeast	60,000
	Service	Southwest	60,000

FIRMS PARTICIPATING IN JOB SURVEY

Battalia & Associates, Inc.
275 Madison Avenue
New York, N.Y. 10016

Billington, Fox & Ellis, Inc.
20 N. Wacker Drive
Chicago, Ill. 60606

Boyden Associates Inc.
260 Madison Avenue
New York, N.Y. 10016

Canny, Bowen, Inc.
425 Park Ave.
New York, N.Y. 10022

DeVoto & Berry Partners, Ltd.
201 E. Ogden Avenue
Hinsdale, Ill. 60521

Eastman & Beaudine, Inc.
111 West Monroe Street
Chicago, Ill. 60603

Fenvessy & Schwab, Inc.
645 Madison Avenue
New York, N.Y. 10022

Haskeli & Stern Associates, Inc.
529 Fifth Avenue
New York, N.Y. 10017

Ward Howell International, Inc.
99 Park Avenue
New York, N.Y. 10016

A.T. Kearney, Inc.
222 S. Riverside Plaza
Chicago, Ill. 60606

Kenny, Kindler & Hunt
805 Third Ave.
New York, N.Y. 10017

Korn/Ferry International
1900 Ave. of the Stars
Los Angeles, Calif. 90067

Kremple & Meade
1900 Ave. of the Stars
Los Angeles, Calif. 90067

Lamalie Associates, Inc.
13920 N. Dale Mabry
Tampa, Fla. 33618

William Stack Associates, Inc.
230 Park Avenue
New York, N.Y. 10169

Paul Stafford Associates, Ltd.
45 Rockefeller Plaza
New York, N.Y. 10111

Staub, Warmbold & Associates
655 Third Avenue
New York, N.Y. 10017

William H. Willis, Inc.
445 Park Avenue,
New York, N.Y. 10022

Wytmar & Co., Inc.
10 S. Riverside Plaza
Chicago, Ill. 60606

Arthur Young & Co.
277 Park Avenue
New York, N.Y. 10172

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DUN'S BUSINESS MONTH

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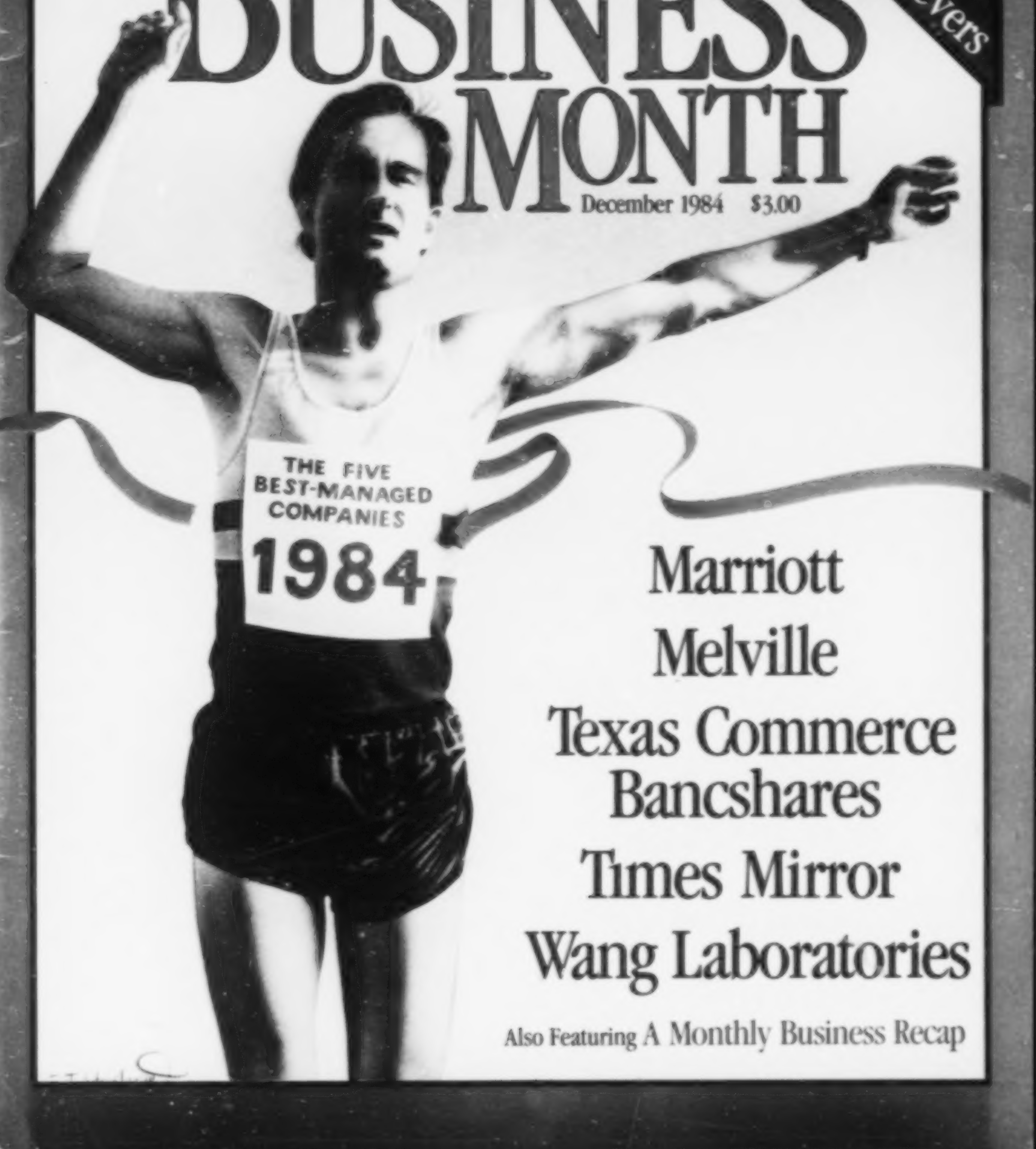
The Good News
Dividend Achievers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Dividend Achievers Decline For Second Year

Number of companies that have raised dividends consistently fell to 403 this year from 414 in 1983, Moody's study shows.

Even in a year when prosperity succeeded recession, the number of American and Canadian companies that boast outstanding records of dividend growth fell for the second year in a row.

The roster of those that chalked up an unbroken record of ten consecutive years of increased dividends, without a single flat year, fell from 414 a year ago to 403 in 1984, or 2.4%, according to a study by Moody's Investors Service. Despite this slight drop, the list of Top Corporate Performers is still 72% longer than it was the first year Dun's Business Month published it, in 1979.

This year, 46 new companies made the hit parade of ten-year veterans. Among them were such well-known names as Anheuser-Busch Cos., Inc., Citizens and Southern Corp., Consolidated Edison Co., Hershey Foods Corp., Hewlett-Packard Co., the E.F. Hutton Group, Merrill Lynch & Co., Inc. and Taft Broadcasting Co. But even more numerous this year were the dropouts, since no fewer than 57 companies failed to measure up to the list's stringent requirements. Among them were Brown-Forman, Inc., Cooper Industries Inc., Hughes Tool Co., ITT Corp., Long Island Lighting Co. and Sun Co.

Best performer of all over the past ten years has been Texas Oil & Gas Co., a diversified energy producer, with a dizzying compound growth rate in its dividend payout of 65.5%. Following in order are Church's Fried Chicken, Inc., (43.5% compound growth); American Indemnity Financial Corp. (39.7%); RPM, Inc. (38.2); Servicemaster Industries, Inc., (33.6%); and United Energy Resources, Inc. (32.4%).

The list of dividend achievers is compiled annually for Dun's Business Month by Moody's from the approximately 3,600 companies in its data base. This universe includes all the firms listed on the New York and American Stock Exchanges and all those actively traded on the NASDAQ over-the-counter market.

Dun's publishes the list of top performers every year in the belief that it may serve as an investment guide for our readers. Investing in a fixed-income security with a substantial yield, after all, does not necessarily provide the highest income over the long run. An investor can enjoy a high return on a stock that increases its dividend year after year, and may profit as well through capital appreciation.

For example, the average yield on the top performers this year came to 4.7%, (as against 4.5% a year ago). At that rate, an investment of $10,000 would yield $470 in dividends, compared with interest of $1,325 on a corporate bond, where the recent rate was 13.25%.

But that is not, of course, the whole story. For while the interest from the bond remains fixed, the dividend may continue to grow. Thus, using the 14% growth rate that prevailed for the average Top Corporate Performer during the past decade, the theoretical annual dividend on $10,000 in stocks would rise to $1,341 in the ninth year, exceeding the annual interest from the bonds.

The X factor in the equation is the potential for major capital appreciation on the stock. Based on a projected annual dividend of $2,943 in the fifteenth year and a continuation of the 4.7% yield, the $10,000 investment in stocks could theoretically be worth more than $62,600, a fivefold increase in market value. Even if interest rates were to fall sharply, the bonds would not appreciate anywhere near as much.

Viewed in another way, the stocks would outperform the bonds in only three years. By then, the stocks would return more than $4,600 ($1,600 in dividends and $3,000 in appreciation), compared to only $3,975 for the bonds. —J.P.

TOP CORPORATE PERFORMERS

Rank	Company	Where Traded	Current Indicated Dividend	1974 Dividend	Ten-Year Dividend Growth Rate[8]	Recent Stock Price	Current Yield
1	Texas Oil & Gas Corp.	NYSE	$ .18	$.0011	65.5%	$21¼	0.8%
2	Church's Fried Chicken, Inc.	NYSE	.80	.021	43.5	28	2.9
3	American Indemnity Financial Corp.	OTC	1.12	.0397	39.7[7]	18½	6.1
4	RPM, Inc.	OTC	.56	.022	38.2	15¼	3.7
5	Servicemaster Industries, Inc.	OTC	1.04	.055	33.6	32¼	3.2
6	United Energy Resources, Inc.	NYSE	2.48	.15	32.4	25⅛	9.9
7	Levi Strauss & Co.	NYSE	1.85	.12	31.5	27½	6.7
8	Harland (John H.) Co.	NYSE	.92	.06	31.4	45¾	2.0
9	Moore McCormack Resources, Inc.	NYSE	1.04	.07	31.0[7]	22⅛	4.7
10	Parsons Corp.	NYSE	1.00	.067	31.0	31⅝	3.2
11	Keystone International, Inc.	NYSE	.48	.033	30.4	16	3.0
12	Rite Aid Corp.	NYSE	.41	.03	29.9	25¼	1.6
13	Guardian Industries Corp.	NYSE	.32	.024	28.7	21⅝	1.5
14	Hospital Corp. of America	NYSE	.50	.038	28.7	40⅞	1.2
15	Dorsey Corp.	NYSE	1.20	.10	28.2	30¾	3.9
16	Schlumberger Limited	NYSE	1.20	.091	28.1	45⅝	2.6
17	United Industrial Corp.	NYSE	.48	.0509	27.8	19½	2.5
18	Acme Electric Corp.	NYSE	.32	.0269	27.7	10⅝	3.1
19	Anixter Bros., Inc.	NYSE	.28	.025	26.9	17¾	1.6
20	Revco D. S., Inc.	NYSE	.80	.071	26.9	29⅝	2.7
21	Equitable Bancorporation	OTC	.72	.064	26.5	19	3.8
22	Dart & Kraft, Inc.	NYSE	4.24	.409[4]	26.0	80⅝	5.3
23	Betz Laboratories, Inc.	OTC	1.20	.11	25.9	31	3.9
24	Baker International Corp.	NYSE	.92	.094	25.7[7]	17¼	5.3
25	Ohio Mattress Co.	NYSE	.40	.041	25.6	16	2.5
26	Great Lakes Chemical Corp.	ASE	.40	.038	25.4	34¼	1.2
27	Lee Enterprises, Inc.	NYSE	.80	.077	25.4	24½	3.3
28	Flowers Industries, Inc.	NYSE	.36	.038	24.8	15⅝	2.4
29	Halliburton Co.	NYSE	1.80	.20	24.6	31⅝	5.7
30	General Cinema Corp.	NYSE	.40	.0387	24.3	25⅝	1.6
31	Nucor Corp.	NYSE	.36	.04	24.2	29¼	1.2
32	Philip Morris, Inc.	NYSE	3.40	.375	24.2	77⅞	4.4
33	Trion, Inc.	OTC	.09	.0097	24.2	7½	1.2
34	Hunt Manufacturing Co.	NYSE	.44	.0512	24.0	22⅞	1.9
35	Sunwest Financial Services, Inc.	OTC	1.40	.155	24.0	32¼	4.4
36	Pay 'N Pak Stores, Inc.	NYSE	.60	.069	23.9	15⅝	3.8
37	Roadway Services, Inc.	OTC	1.00	.114	23.9	28½	3.5
38	Big Three Industries, Inc.	NYSE	.80	.10	23.1	21⅝	3.7
39	Knight Ridder Newspapers, Inc.	NYSE	.64	.08	23.1	27½	2.3
40	Smith International, Inc.	NYSE	.96	.12	23.1[7]	14⅝	6.6
41	Tyler Corp.	NYSE	.70	.0875	23.1	29½	2.4
42	Baxter Travenol Laboratories, Inc.	NYSE	.33	.04	23.0	13½	2.4
43	Fort Howard Paper Co.	NYSE	1.48	.181	23.0	59¾	2.5
44	American Recreation Centers, Inc.	OTC	.16	.018	22.8	9½	1.7
45	Telephone & Data Systems, Inc.	ASE	.39	.05	22.8[7]	9⅝	4.2
46	Commerce Clearing House, Inc.	OTC	1.92	.23	22.6	67½	2.9
47	Duplex Products, Inc.	ASE	.84	.107	22.6	26½	3.2
48	Hewlett-Packard Co.	NYSE	.22	.025	22.5	37⅛	0.6
49	Gannett Co., Inc.	NYSE	1.28	.169	22.4	44⅝	2.9
50	Hutton (E. F.) Group, Inc.	NYSE	.80	.107	22.3	30½	2.6
51	Allied Bancshares, Inc.	OTC	.80	.1067	22.2	24⅛	3.3
52	First Maryland Bancorp.	OTC	1.60	.213	22.0	28	5.7
53	Jostens, Inc.	NYSE	.80	.1508	21.9	18⅞	4.2
54	West Co., Inc. (The)	NYSE	.44	.058	21.9	18¾	2.4
55	Kelly Services, Inc.	OTC	.64	.079	21.8	25	2.6
56	Abbott Laboratories	NYSE	1.20	.162	21.7	40⅝	3.0
57	Cincinnati Financial Corp.	OTC	2.20	.294	21.7	70¼	3.1
58	Entex, Inc.	NYSE	1.30	.177	21.6	19¾	6.6
59	Heck's, Inc.	NYSE	.28	.04	21.5	11⅞	2.4
60	Shoney's, Inc.	OTC	.16	.023	21.4	33⅝	0.5
61	Cross (A. T.) Co.	ASE	1.32	.184	21.2	27⅜	4.8
62	Masco Corp.	NYSE	.56	.073	21.2	24¾	2.3
63	Multimedia, Inc.	OTC	.60	.089	21.0	34¼	1.8
64	Communications Industries, Inc.	OTC	.36	.053	20.8	22¼	1.6
65	Deluxe Check Printers, Inc.	NYSE	1.76	.235	20.8	51½	3.4
66	Payless Drug Store Northwest, Inc.	NYSE	.34	.046	20.8	21⅝	1.6
67	Dean Foods Co.	NYSE	.48	.07	20.7	26⅝	1.8
68	Houston Natural Gas Corp.	NYSE	2.00	.30	20.6	46	4.4
69	Lewis (Palmer G.) Co, Inc.	OTC	.28	.042	20.5	7⅝	3.7
70	Rollins, Inc.	NYSE	.46	.071	20.5	8⅝	5.2

Latest Earnings Per Share	1983 Payout	Annual Sales (millions)	Net Income (millions)	Return on Sales	Shareholders' Equity (millions)	Return on Equity	Fiscal Year Ended
$1.41	9.9%	$ 1,671.2	$ 295.7	15.8%	$1,192.8	24.8%	12/31/83
1.66	42.8	464.1	31.6	6.8	241.5	13.1	12/31/83
1.55	72.3	78.9	2.2	2.8	37.8	5.8	12/31/83
1.09	41.1	154.2	8.4	5.4	54.5	15.4	5/31/84
1.17	70.7	700.6	25.6	3.7	58.5	43.8	12/31/83
1.04	234.6	4,034.7	28.9	0.7	897.8[5]	3.2	12/31/83
4.61	36.9	2,731.2	194.5	7.1	1,053.7	18.5	11/27/83
2.46	30.9	188.9	20.7	11.0	92.7	22.3	12/31/83
1.04	100.0	423.4	9.1	2.2	373.5	2.4	12/31/83
1.85	47.3	839.8	45.7	5.4	204.5	22.3	12/31/83
.79	56.5	110.4	12.5	11.3	85.5	14.6	12/31/83
1.76[1]	18.2	1,223.2	74.2[1]	6.1	323.7	22.9	3/3/84
1.68	15.5	464.8	38.1	8.2	212.2	18.0	12/31/83
2.80	13.7	3,917.0	243.2	6.2	1,570.9	15.5	12/31/83
3.02	38.1	446.5	10.1	2.3	81.9	12.3	12/31/83
3.73	26.3	5,797.4	1,084.2	18.7	5,818.8	18.6	12/31/83
1.64	23.6	288.2	16.7	5.8	77.7	21.5	12/31/83
0.63	50.2	66.0	2.3	3.5	20.1	11.5	6/30/84
0.72	31.9	525.9	10.3	2.0	183.5	5.6	7/31/83
2.54	25.9	2,227.5	93.4	4.2	447.2	20.9	6/2/84
1.28	41.8	265.1	14.4	5.4	160.1	9.0	12/31/83
7.92	48.5	9,714.0	435.1	4.5	2,922.7	14.9	12/31/83
2.08	45.2	266.9	33.1	12.4	161.7	20.5	12/31/83
d0.91	—	1,837.6	d63.5	—	1,044.1	—	9/30/83
0.70	41.9	98.8	7.7	7.8	37.8	20.4	11/30/83
1.63	18.4	225.9	23.8	10.5	141.4	16.9	12/31/83
1.64	38.1	172.5	22.7	13.2	119.3	19.0	9/30/83
.83	0.4	522.3	19.2	3.7	116.1	16.5	7/2/83
2.66	62.0	5,522.1	314.8	5.7	3,571.5	8.8	12/31/83
2.62	10.5	928.6	98.5	10.6	259.1	38.0	10/31/83
1.98	14.6	542.5	27.9	5.1	258.1	10.8	12/31/83
7.17	38.7	12,975.9	903.5	7.0	4,033.7	22.4	12/31/83
0.63	11.9	20.8	2.0	9.6	8.8	22.7	12/31/83
1.35	28.1	85.0	6.1	7.2	37.1	16.4	11/28/83
4.04	29.5	193.6	18.0	9.3	124.5	14.5	12/31/83
1.11	49.3	250.0	10.0	4.0	93.6	10.7	2/29/84
2.47	33.4	1,252.9	99.2	7.9	528.8	18.8	12/31/83
1.07	67.3	668.8	45.3	6.8	615.7	7.4	12/31/83
1.80	29.7	1,473.3	119.4	8.1	807.9	14.8	12/31/83
d4.17	—	697.0	d94.6	—	545.3	—	12/31/83
1.88	33.2	960.9	18.4	1.9	175.2	10.5	12/31/83
1.54	17.6	1,842.5	218.0	11.9	1,151.1	18.9	12/31/83
3.78	33.3	785.9	106.9	13.6	754.7	14.2	12/31/83
0.69	14.9	21.4	1.7	7.9	16.9	10.1	5/30/84
0.92	38.1	87.6	6.9	7.9	65.6[5]	10.5	12/31/83
2.77	60.6	388.9	24.9	6.4	86.7	28.7	12/31/83
2.33	31.8	219.0	8.7	4.0	68.0	12.8	10/31/83
1.69	9.5	4,710.0	432.0	9.2	2,887.0	15.0	10/31/83
2.40	50.0	1,703.6	191.6	11.2	1,022.2	18.7	12/25/83
4.42	17.2	2,172.0	110.6	5.1	602.6	18.4	12/31/83
2.55	27.5	719.0	98.8	13.7	457.0	21.6	12/31/83
3.65[1]	41.1	339.2	19.2[1]	5.7	221.3	8.7	12/31/83
1.67	39.1	440.4	33.8	7.7	170.6	19.8	6/30/84
2.08	18.3	190.4	16.3	8.6	96.3	16.9	12/31/83
1.34	35.5	524.4	17.4	3.3	89.4	19.5	1/1/84
2.86	33.6	2,927.9	347.6	11.9	1,417.9	24.5	12/31/83
6.32	29.2	438.2	46.7	10.7	305.3	15.3	12/31/83
2.76	45.3	1,221.7	60.5	5.0	274.8[6]	22.0	6/30/84
1.03	26.2	435.0	9.5	2.2	113.3	8.4	12/31/83
1.16	12.9	397.8	23.2	5.8	138.0	16.8	10/30/83
1.90	60.5	118.4	15.6	13.2	80.1	19.5	12/31/83
1.93	22.8	1,059.4	106.5	10.1	728.8	14.6	12/31/83
2.15	24.2	269.7	35.1	13.0	224.5	15.6	12/31/83
1.18	26.3	64.2	10.8	16.8	64.8	16.7	12/31/83
3.37	36.8	619.7	76.6	12.4	284.9	26.9	12/31/83
1.35	18.2	852.9	24.7	2.9	129.7	19.0	1/31/84
1.61	22.9	834.2	22.1	2.6	108.7	20.3	12/31/83
4.66	38.4	2,982.3	190.2	6.4	1,381.0[6]	13.8	7/31/83
0.67	38.8	121.0	1.8	1.5	27.0	6.7	1/27/84
0.63	72.8	262.3	15.6	5.9	34.1	45.7	6/30/84

TOP CORPORATE PERFORMERS

Rank	Company	Where Traded	Current Indicated Dividend	1974 Dividend	Ten-Year Dividend Growth Rate*	Recent Stock Price	Current Yield
71	WD-40 Co.	OTC	$ .88	$.1333	20.5%	$19⅛	4.6%
72	Pioneer Corp.	NYSE	1.24	.194	20.4	27¼	4.6
73	Bowl America, Inc.	ASE	.38	.06	20.1	10½	3.6
74	Lear Siegler, Inc.	NYSE	1.80	.28	20.1	44⅛	4.1
75	Daniel Industries, Inc.	NYSE	.18	.029	20.0	18⅝	1.0
76	Super Value Stores, Inc.	NYSE	.68	.103	20.0	29	2.4
77	Kaman Corp.	OTC	.56	.0817	19.9	22	2.6
78	Heileman (G.) Brewing Co.	NYSE	.48	.076	19.7	16⅛	3.0
79	Block (H. R.), Inc.	NYSE	2.40	.36	19.6	43⅝	5.5
80	Lomas & Nettleton Financial Corp.	NYSE	1.16	.18	19.6	29	4.0
81	Heinz (H. J.) & Co.	NYSE	1.60	.247	19.4	40½	4.0
82	Jack Eckerd Corp.	NYSE	1.00	.17	19.4	27½	3.6
83	AMP, Inc.	NYSE	.64	.11	19.3	31⅝	2.0
84	O'Sullivan Corp.	ASE	.60	.094	19.3	30⅝	2.0
85	Pioneer Hi-bred International	OTC	.80	.1334	19.3	29¾	2.7
86	Century Telephone Enterprises, Inc.	NYSE	.76	.135	19.2	8½	8.9
87	Dexter Corp.	NYSE	.80	.128	19.2	21⅛	3.8
88	Core Industries, Inc.	NYSE	.52	.089	19.1	12⅜	4.2
89	Barry Wright Corp.	NYSE	.60	.095	19.0	28⅝	2.1
90	Chemed Corp.	NYSE	1.48	.26	19.0	27⅛	5.5
91	Melville Corp.	NYSE	1.32	.231	19.0	37¾	3.5
92	Affiliated Publications, Inc.	ASE	.80	.1422	18.9	46	1.7
93	K Mart Corp.	NYSE	1.24	.215	18.8	35	3.6
94	Millipore Corp.	OTC	.44	.075	18.8	32⅜	1.4
95	Dover Corp.	NYSE	.82	.14	18.7	37	2.2
96	Alco Standard Corp.	NYSE	1.16	.21	18.6	28⅞	4.0
97	Mine Safety Appliances Corp.	OTC	.88	.145	18.6	56¼	1.6
98	American Hospital Supply Corp.	NYSE	1.12	.20	18.5	28⅝	3.9
99	United States Tobacco Co.	NYSE	1.44	.2633	18.5	34⅜	4.2
100	Provident Life & Accident Insurance Co.	OTC	2.86	.52	18.4	73	3.9
101	P. H. H. Group, Inc.	NYSE	.88	.16	18.3	24½	3.6
102	Progressive Corp.	OTC	.16	.03	18.2	36⅜	0.4
103	Albertsons, Inc.	NYSE	.68	.125	18.1	28⅛	2.4
104	Citizens Fidelity Corp.	OTC	.92	.17	18.1	23⅝	3.9
105	Colt Industries, Inc.	NYSE	2.20	.417	18.1	51⅜	4.3
106	Russell Corp.	ASE	.30	.057	18.1	12⅛	2.5
107	American Business Products, Inc.	NYSE	.56	.107	18.0	22⅜	2.5
108	Lance, Inc.	OTC	1.16	.2178	18.0	30⅜	3.8
109	Morrison Knudson Co., Inc.	NYSE	1.40	.264	18.0	30	4.7
110	Omark Industries, Inc.	NYSE	1.04	.198	18.0	23⅝	4.4
111	Owens & Minor, Inc.	OTC	.36	.0705	17.7	14	2.6
112	Protective Corp.	OTC	1.24	.24	17.7	33½	3.7
113	Seaway Food Town, Inc.	OTC	.68	.133	17.7	12⅛	5.6
114	Farmers Group, Inc.	OTC	1.52	.30	17.6	46	3.3
115	Dennison Manufacturing Co.	NYSE	1.20	.225	17.5	22½	5.3
116	Burdy Corp.	NYSE	.84	.169	17.4	14⅛	6.0
117	Consolidated Edison Company of New York	NYSE	2.12	.425	17.4	29⅛	7.3
118	McGraw-Hill, Inc.	NYSE	1.24	.25	17.4	41⅜	3.0
119	Capital Holding Corp.	NYSE	1.48	.30	17.3	39	3.8
120	General Signal Corp.	NYSE	1.80	.35	17.2	46⅛	3.9
121	V. F. Corp.	NYSE	1.00	.205	17.2	23⅝	4.2
122	Durr-Fillauer Medical, Inc.	OTC	.16	.032	17.1	14	1.2
123	Johnson & Johnson	NYSE	1.20	.2416	17.1	31½	3.8
124	Southland Corp.	NYSE	.92	.19	17.1	30⅜	3.0
125	Webb Co.	OTC	.36	.07	17.1	12	3.0
126	Anderson Greenwood & Co.	NYSE	.20	.04	17.0	11⅛	1.8
127	Henredon Furniture Industries, Inc.	OTC	.96	.194	17.0	33⅛	2.9
128	Diebold, Inc.	NYSE	1.20	.25	16.9	77⅛	1.5
129	Colonial Life & Accident Insurance Co.	OTC	.92	.192	16.7	25-	3.7
130	Cigna Corp.	NYSE	2.60	.56	16.5	37⅝	6.9
131	Ohio Casualty Corp.	OTC	2.68	.58	16.5	41¾	6.4
132	Rubbermaid, Inc.	NYSE	.84	.17	16.5	38⅜	2.2
133	Dayton-Husdson Corp.	NYSE	.74	.147	16.4	33½	2.2
134	Grumman Corp.	NYSE	1.00	.205	16.3	26½	3.8
135	Leggett & Platt, Inc.	NYSE	.44	.097	16.3	18⅝	2.4
136	Lancaster Colony Corp.	OTC	.66	.151	16.2	14⅜	4.6
137	American International Group, Inc.	NYSE	.44	.099	16.1	68⅛	0.6
138	Nalco Chemical Co.	NYSE	1.20	.27	16.1	24	5.0
139	American Express Co.	NYSE	1.28	.29	16.0	34⅝	3.7
140	Papercraft Corporation	NYSE	.76	.173	16.0	14⅝	5.2

Latest Earnings Per Share	1983 Payout	Annual Sales (millions)	Net Income (millions)	Return on Sales	Shareholders' Equity (millions)	Return on Equity	Fiscal Year Ended
$1.07	71.7%	$ 50.2	$ 8.0	15.9%	$ 22.2	36.0%	8/31/83
1.95	60.5	1,025.4	72.9	7.1	403.8	18.1	12/31/83
1.07	32.1	16.7	1.7	10.2	9.9	17.2	7/3/83
4.96	31.8	1,941.7	85.1	4.4	569.3	14.9	6/30/84
.36	46.7	154.3	3.5	2.3	99.1	3.5	9/30/83
2.08	27.9	5,922.6	76.7	1.3	384.7	19.9	2/25/84
1.82	21.4	475.8	12.8	2.7	89.1	14.4	12/31/83
2.15	20.9	1,325.6	56.9	4.3	239.3	23.8	12/31/83
3.89	50.6	415.6	48.0	11.6	237.4	20.2	3/31/84
2.35	38.7	240.0	34.3	14.3	162.8	21.1	6/30/84
3.40	35.8	3,953.7	237.5	6.0	1,139.6	20.9	5/2/84
1.91	50.3	2,325.0	71.7	3.1	568.2	12.6	7/30/83
1.52	34.9	1,515.4	163.1	10.8	800.8	20.4	12/31/83
1.98	22.1	108.7	8.6	7.9	34.5	24.9	6/30/83
1.37	52.6	505.4	43.7	8.6	352.3	12.4	8/31/83
1.07	71.0	99.5	9.3	9.3	85.1[5]	10.9	12/31/83
1.77	41.5	561.4	27.3	4.9	186.1	14.7	12/31/83
0.74	63.5	130.0	7.3	5.6	85.1	8.6	8/31/83
1.57	28.1	162.1	13.6	8.4	89.0	15.3	12/31/83
2.17[3]	62.7	271.3	17.3[3]	6.4	80.9	21.4	12/31/83
3.36	32.4	3,923.2	176.2	4.5	831.2	21.2	12/31/83
2.80	22.9	293.8	22.2	7.6	123.0	18.0	12/25/83
3.80	27.9	18,597.9	492.3	2.6	2,940.1	16.7	1/25/84
1.52	25.0	292.4	20.6	7.0	192.8	10.7	12/31/83
2.18	33.0	1,009.6	77.5	7.68	502.7	15.4	12/31/83
2.72	41.5	2,785.9	57.3[3]	2.1	427.1	13.4	9/30/83
3.65	18.9	312.7	13.5	4.3	141.9	9.5	12/31/83
2.86	33.6	3,310.5	211.9	6.4	1,396.8	15.2	12/31/83
2.42	47.9	382.7	70.6	18.4	260.0	27.2	12/31/83
9.54	26.8	1,148.8	88.1	7.7	687.6	12.8	12/31/83
2.30	34.3	538.4	36.4	6.8	211.7	17.2	4/30/84
2.81	5.4	268.5	22.6	8.4	79.7	28.4	12/31/83
2.15	26.7	4,279.3	70.3	1.6	391.8	17.9	2/2/84
2.38	33.6	235.3	28.8	12.2	175.6	16.4	12/31/83
4.01	49.9	1,576.1	99.3	6.3	466.8	21.3	12/31/83
1.35	21.0	318.6	26.6	8.3	173.3	15.3	12/31/83
1.59	28.5	236.1	9.0	3.8	64.1	14.0	12/31/83
2.30	45.7	308.3	28.7	9.3	142.4	20.2	12/31/83
3.97	33.3	2,165.9	41.5	1.9	325.5	12.8	12/31/83
2.01	50.7	297.3	14.6	4.9	144.5	10.1	6/30/84
1.41	22.0	255.2	3.0	1.2	29.3	10.2	12/31/83
3.80	31.4	178.6	20.6	11.5	118.8	17.3	12/31/83
1.58	41.1	472.3	3.4	0.7	38.0	8.9	9/30/83
4.06	33.5	382.2	137.6	36.0	917.4	15.0	12/31/83
2.07	47.7	628.7	31.4	5.0	211.0	14.9	12/31/83
1.01	79.2	211.5	12.0	5.7	131.6	9.1	12/31/83
4.16	45.2	5,515.6	536.8	9.7	3,703.7[5]	14.5	12/31/83
2.52	42.9	1,295.1	126.4	9.8	616.6	20.5	12/31/83
4.38	32.0	1,272.7	122.3	9.6	953.3	12.8	12/31/83
3.16	53.2	1,574.9	89.6	5.7	846.0	10.6	12/31/83
3.64	23.4	1,100.9	119.4	10.8	399.9	29.9	12/31/83
0.80	17.0	263.1	5.0	1.9	42.5	11.8	12/31/83
2.57	41.8	5,972.9	489.0	8.2	3,026.5	16.2	1/1/84
3.26	25.8	8,805.0	131.7	1.5	1,075.0	12.3	12/31/83
0.96	31.3	156.9	6.2	4.0	42.8	14.5	12/31/83
0.34	53.0	49.6	1.8	3.7	41.2	4.3	12/25/83
1.79	45.8	100.0	9.3	9.3	99.8	9.3	12/31/83
5.60	17.9	445.9	49.1	11.0	235.6	20.9	12/31/83
2.75	28.8	138.0	14.0	10.1	121.6	11.5	12/31/83
5.26	46.3	12,563.8	535.0	4.3	5,048.8	10.6	12/31/83
4.85	52.0	946.0	51.4	5.4	531.5	9.7	12/31/83
2.30	30.4	436.4	35.6	8.2	197.0	18.1	12/31/83
2.52[3]	25.9	6,963.3	243.2[3]	3.5	1,540.2	15.8	1/28/84
3.82	22.3	2,254.7	110.7	4.9	502.5	22.0	12/31/83
1.89	19.8	354.0	15.5	4.4	96.0	16.2	12/31/83
1.63	38.8	418.5	13.0	3.1	108.8	11.9	6/30/84
5.77	7.4	3,918.6	412.0	10.5	2,659.6	15.5	12/31/83
1.78	64.0	659.4	71.0	10.8	350.5	20.3	12/31/83
2.53	49.0	9,935.7	514.7	5.2	4,044.0	12.7	12/31/83
1.03	69.2	162.5	11.7	7.2	109.7	10.7	12/31/83

TOP CORPORATE PERFORMERS

Rank	Company	Where Traded	Current Indicated Dividend	1974 Dividend	Ten-Year Dividend Growth Rate[3]	Recent Stock Price	Current Yield
141	Pioneer-Standard Electronics, Inc.	OTC	$ .12	$.026	16.0%	$ 9¾	1.2%
142	Ball Corp.	NYSE	1.28	.28	15.9	38¼	3.3
143	Brunswick Corp.	NYSE	.80	.16	15.9	33	2.4
144	Carnation Co.	NYSE	2.40	.548	15.9	80⅝	3.0
145	Western Casualty & Surety Co.	OTC	2.84	.65	15.9	48½	5.9
146	Uslico Corp.	OTC	1.00	.23	15.8	27⅞	3.6
147	Sonat, Inc.	NYSE	1.85	.394	15.7	34⅜	5.4
148	Genuine Parts Co.	NYSE	1.02	.236	15.5	32⅛	3.2
149	Ogilvy & Mather International, Inc.	OTC	.92	.214	15.5	35¼	2.6
150	General Mills, Inc.	NYSE	2.24	.555	15.4	55⅝	4.0
151	Grainger (W. W.), Inc.	NYSE	1.24	.293	15.4	55⅝	2.2
152	Tull (J. M.) Industries, Inc.	NYSE	.52	.1172	15.4	11	4.7
153	Weis Markets, Inc.	NYSE	.64	.1525	15.4	33⅜	1.9
154	Standex International Corp.	NYSE	.50	.12	15.3	14⅜	3.5
155	International Flavors & Fragrances, Inc.	NYSE	1.08	.262	15.2	25¾	4.2
156	First Ohio Bancshares, Inc.	OTC	1.80	.43	15.1	35½	5.1
157	SFN Companies	NYSE	1.28	.31	15.1	41¾	3.1
158	Bristol-Myers Co.	NYSE	1.60	.37	15.0	44¾	3.6
159	Hillenbrand Industries, Inc.	NYSE	.51	.1275	14.9	18⅞	2.7
160	Universal Leaf Tobacco Co., Inc.	NYSE	.92	.2275	14.9	18⅜	5.0
161	Vermont American Corp.	ASE	.40	.10	14.9	18⅞	2.1
162	Signal Companies, Inc.	NYSE	.94	.236	14.8	29⅞	3.1
163	Van Dorn Company	NYSE	.84	.2067	14.8	20¼	4.2
164	Echlin, Inc.	NYSE	.76	.185	14.7	22⅞	3.3
165	The Dun & Bradstreet Corporation	NYSE	1.88	.465	14.6	62	3.0
166	Meridian Bancorp, Inc.	OTC	2.20	.565	14.6[8]	35¼	6.3
167	Standard Brands Paint Co.	NYSE	.54	.136	14.6	18¾	2.9
168	Tennant Co.	OTC	.88	.225	14.6	19	4.6
169	Combined International Corp.	NYSE	2.08	.53	14.5	35	6.0
170	Quaker Chemical Corp.	OTC	.68	.175	14.5	23	3.0
171	Rainier Bancorporation	OTC	1.76	.455	14.5	41½	4.2
172	American Building Maintenance Inds.	NYSE	.82	.213	14.4	21	3.9
173	PepsiCo, Inc.	NYSE	1.68	.433	14.4	44⅜	3.8
174	Torchmark Corp.	NYSE	1.00	.235	14.4	31⅛	3.2
175	Toronto Dominion Bank	OTC	.76	.20	14.3	17	4.5
176	Donnelley (R. R.) & Sons Co.	NYSE	1.00	.27	14.0	44¼	2.3
177	Longs Drug Stores, Inc.	NYSE	1.28	.325	14.0	41¼	3.1
178	Nevada Power Co.	NYSE	2.76	.74	14.0	26⅞	10.3
179	Media General, Inc.	ASE	1.08	.293	13.9	59¾	1.8
180	Taft Broadcasting Co.	NYSE	1.12	.30	13.9	60½	1.9
181	Turner Corporation	ASE	1.10	.30	13.9	21⅞	5.0
182	Washington Real Estate Investment Trust	ASE	1.60	.4067	13.9	20¾	7.7
183	Ametek, Inc.	NYSE	.80	.22	13.8	25¼	3.2
184	Baker Fentress & Co.	OTC	1.63	.3933	13.8	35¼	4.6
185	Toledo Trustcorp, Inc.	OTC	1.90	.518	13.7	40¼	4.7
186	American Heritage Life Investment Corp.	NYSE	1.08	.29	13.6	29	3.7
187	Kidde, Inc.	NYSE	1.15	.325	13.5	29⅝	3.9
188	Texas Commerce Bancshares, Inc.	NYSE	1.42	.40	13.5	44	3.2
189	Thomas & Betts Corp.	NYSE	1.24	.33	13.5	31⅝	3.9
190	Thomas Industries, Inc.	NYSE	.68	.1892	13.4	17⅛	4.0
191	Wesco Financial Corp.	ASE	.58	.166	13.3	18	3.2
192	Lawter International, Inc.	NYSE	.56	.16	13.2	12	4.7
193	Security Bancorp, Inc.	OTC	1.12	.32	13.2	16¾	6.7
194	Pillsbury Co.	NYSE	1.56	.42	13.1	42⅛	3.7
195	American Home Products Corp.	NYSE	2.64	.777	13.0	47⅞	5.5
196	Bank of Nova Scotia	OTC	.68	.20	13.0	12⅛	5.6
197	Home Beneficial Corp.	OTC	.84	.235	13.0	23	3.7
198	Ralston Purina Co.	NYSE	.92	.27	13.0	33¼	2.8
199	Fuller (H. B.) Co.	OTC	.30	.0875	12.9	12⅞	2.3
200	Gibson-Homans Co.	OTC	.30	.0863	12.9	16⅝	1.8
201	Hartford Steam Boiler Inspection & Ins. Co.	OTC	3.00	.89	12.9	58½	5.1
202	Stepan Co.	ASE	.64	.19	12.9	17¼	3.7
203	Acme United Corp.	ASE	.32	.096	12.8	9⅝	3.3
204	Pfizer, Inc.	NYSE	1.32	.395	12.8	35½	3.7
205	Arkla, Inc.	NYSE	1.08	.32	12.7	21⅝	5.0
206	Jefferson-Pilot Corp.	NYSE	1.32	.387	12.7	35¾	3.7
207	USLIFE Corp.	NYSE	.96	.29	12.7	31⅞	3.0
208	Emerson Electric Co.	NYSE	2.30	.70	12.6	68⅝	3.4
209	United Aircraft Products, Inc.	ASE	.54	.167	12.4	18¼	3.0
210	Banc One Corp.	NYSE	1.00	.30	12.2	23⅝	4.2

Latest Earnings Per Share	1983 Payout	Annual Sales (millions)	Net Income (millions)	Return on Sales	Shareholders' Equity (millions)	Return on Equity	Fiscal Year Ended
$ 1.53	13.1%	$ 229.5	$ 4.1	1.8%	$ 29.1	14.1%	3/31/84
3.47	31.7	909.5	39.0	4.3	262.1	14.9	12/31/83
2.94	17.9	1,216.2	66.1	5.4	376.4	17.6	12/31/83
5.47	40.2	3,365.2	194.8	5.8	1,118.4	17.4	12/31/83
d1.22	—	422.2	d5.9	—	232.2	—	12/31/83
3.22	30.3	158.0	22.0	13.9	135.7	16.2	12/31/83
5.20	27.4	2,723.8	210.2	7.7	1,288.0	16.3	12/31/83
1.91	47.5	2,068.2	103.6	5.0	636.2	16.3	12/31/83
1.99	41.2	358.3	17.8	5.0	107.4	16.6	12/31/83
4.98	39.0	5,600.8	233.4	4.2	1,227.4	19.0	5/27/84
3.58	33.2	880.0	51.7	5.9	411.9	12.6	12/31/83
1.19	38.5	165.7	5.7	3.4	58.8	9.7	12/31/83
2.43	23.0	891.8	50.1	5.6	284.0	17.6	12/31/83
1.44	33.9	378.5	20.0	5.3	144.0	13.9	6/30/84
1.87	55.6	460.9	68.4	14.8	344.2	19.9	12/31/83
4.44	35.4	61.5	9.1	14.8	59.9	15.2	12/31/83
2.71	44.3	320.6	28.7	9.0	183.1	15.7	4/30/84
3.00	38.7	3,917.0	408.0	10.5	1,907.9	21.4	12/31/83
1.79	24.7	432.5	35.6	8.2	215.4	16.5	12/3/83
2.21	39.1	1,019.8	38.3	3.8	233.3	16.4	6/30/84
1.97	17.9	191.4	14.1	7.4	96.2	14.7	12/31/83
1.00	90.0	6,151.0	114.0	1.9	2,633.0	4.3	12/31/83
1.71	44.4	225.4	7.3	3.2	60.0	12.2	12/31/83
1.50	41.3	564.4	30.7	5.4	232.1	13.2	8/31/83
2.97	52.0	1,509.5	167.4	11.1	580.3	28.8	12/31/83
4.72	22.8	367.5	32.2	8.8	255.5	12.6	12/31/83
1.68	29.0	296.8	18.6	6.3	141.1	13.2	9/30/83
1.17	72.6	107.2	6.3	5.9	54.1	11.6	12/31/83
3.86	51.8	1,235.1	109.7	8.9	739.3	14.8	12/31/83
2.05	30.2	105.6	7.0	6.6	46.6	15.0	12/31/83
4.90	32.7	625.2	47.2	7.5	374.0	12.6	12/31/83
2.26	32.7	329.1	7.8	2.4	58.8	13.3	10/31/83
3.01	53.8	7,895.9	284.1	3.6	1,794.1	15.8	12/31/83
2.56	31.3	1,133.7	101.0	8.9	818.2	12.3	12/31/83
2.67	26.0	4,521.0	325.1	7.2	1,905.3	17.1	10/31/83
3.00	27.3	1,545.7	114.4	7.4	705.3	16.2	12/31/83
3.43	31.5	1,214.4	36.4	3.0	224.4	16.2	1/31/84
2.74	97.8	306.3	31.0	10.1	280.4[5]	11.1	12/31/83
5.07	20.5	507.7	35.9	7.1	245.2	14.6	12/31/83
4.03	25.8	453.8	39.2	8.6	323.8	12.1	3/31/84
2.93	34.1	1,709.9	11.4	0.7	50.1	22.6	12/31/83
1.28	96.1	15.7	6.5	41.4	43.9	14.8	12/31/83
1.48	47.3	448.1	32.0	7.2	175.6	18.3	12/31/83
41.70[9]	—	9.6	8.1	84.4	—	—	12/31/83
4.27	41.3	177.9	20.7	11.6	175.0	11.8	12/31/83
2.39	38.5	169.6	7.6	4.5	69.3	11.0	12/31/83
3.43	32.4	2,052.4	72.6	3.5	612.9	11.9	12/31/83
5.50	23.3	1,558.0	177.0	11.4	945.0	18.7	12/31/83
1.74	61.5	278.4	27.1	9.7	194.5	13.9	12/31/83
1.20	47.9	222.0	9.2	4.1	90.0	10.2	12/31/83
1.48	36.5	78.6	10.6	13.5	124.1	8.5	12/31/83
0.83	59.4	90.0	14.3	15.9	55.8	25.6	12/31/83
2.48	43.5	125.3	8.8	7.0	68.4	12.9	12/31/83
3.91	32.7	4,172.3	169.8	4.1	1,046.2	16.2	5/31/84
4.00	60.0	4,856.5	627.2	12.9	2,048.9	30.6	12/31/83
2.47	25.9	5,504.2	347.7	6.4	1,841.0	18.9	10/31/83
2.84	25.2	95.2	34.9	36.7	286.0	12.2	12/31/83
2.58	32.6	4,872.4	256.0	5.3	1,104.1	23.2	9/30/83
1.49	18.5	425.5	13.8	3.2	92.2	15.0	11/30/83
1.17	22.9	68.1	2.2	3.2	16.7	13.2	12/31/83
6.89	42.8	217.6	26.8	12.3	185.0	14.5	12/31/83
1.75	33.1	207.0	6.3	3.0	58.5	10.8	12/31/83
1.03	30.1	44.0	3.3	7.5	19.9	16.6	12/31/83
2.73	42.5	3,750.0	447.1	11.9	2,180.8	20.5	12/31/83
1.18	83.1	1,297.5	59.1	4.6	496.5[5]	11.9	12/31/83
3.08	37.7	651.9	98.7	15.1	1,014.7	9.7	12/31/83
3.69	24.4	930.7	76.0	8.2	768.7	9.9	12/31/83
4.42	48.6	3,475.7	302.9	8.7	1,701.7	17.8	9/30/83
1.53	32.4	28.9	3.2	11.1	17.5	18.3	11/30/83
2.55	31.8	658.3	83.3	12.7	557.0	15.0	12/31/83

TOP CORPORATE PERFORMERS

Rank	Company	Where Traded	Current Indicated Dividend	1974 Dividend	Ten-Year Dividend Growth Rate[6]	Recent Stock Price	Current Yield
211	U.S. Leasing International, Inc.	NYSE	$ .76	$ .24	12.2%	$34¼	2.2%
212	Anheuser-Busch Companies, Inc.	NYSE	2.00	.60	12.1	68⅜	2.9
213	Sealed Power Corp.	NYSE	1.00	.288	12.1	25⅝	3.9
214	Chesebrough-Pond's, Inc.	NYSE	1.92	.62	12.0	36⅝	5.3
215	Hershey Foods Corp.	NYSE	1.40	.40	12.0	37¾	3.7
216	Marsh & McLennan Companies, Inc.	NYSE	2.40	.725	12.0	51¼	4.7
217	Northwestern National Life Insurance Co.	OTC	.80	.25	12.0	25⅛	3.2
218	Paxton (Frank) Co.	OTC	.46	.143	12.0	18¼	2.5
219	Tucson Electric Power Co.	NYSE	2.60	.84	12.0	39¼	6.6
220	Internorth, Inc.	NYSE	2.48	.78	11.9	39⅛	6.3
221	Wallace Computer Services, Inc.	NYSE	.40	.13	11.9	29⅛	1.4
222	Coca Cola Bottling Company Consolidated	OTC	.61	.20	11.8	26¾	2.3
223	Consolidated Freightways, Inc.	NYSE	1.00	.32	11.8	23½	4.3
224	National Gas & Oil Co.	ASE	.40	.125	11.8	13⅝	2.9
225	Quaker Oats Co.	NYSE	1.24	.385	11.8	34¼	3.6
226	Rochester Telephone Corp.	NYSE	2.28	.75	11.8	32¼	7.1
227	Kimberly Clark Corp.	NYSE	2.20	.72	11.7	44½	5.0
228	Morrison, Inc.	OTC	.48	.139	11.7	17½	2.8
229	Puget Sound Bancorp.	OTC	1.12	.35	11.7	23¾	4.7
230	Affiliated Bankshares of Colorado, Inc.	OTC	.80	.2666	11.6	15¼	5.2
231	Lilly (Eli) & Co.	NYSE	2.90	.97	11.6	59¾	4.9
232	Arizona Bancwest Corp.	OTC	.80	.27	11.5	20⅛	4.0
233	Louisiana General Services, Inc.	NYSE	.53	.17	11.4	12⅞	4.1
234	United Bancorp of Arizona	OTC	.80	.26	11.4	23⅜	3.4
235	Becton Dickinson & Co.	NYSE	1.20	.40	11.3	36⅞	3.3
236	Hawkeye Bancorporation	OTC	1.04	.3526	11.3	13	8.0
237	Moore Financial Group, Inc.	OTC	1.20	.375	11.3	21½	5.6
238	Yellow Freight Systems, Inc.	OTC	1.00	.33	11.3	31	3.2
239	American Brands, Inc.	NYSE	3.75	1.28	11.2	62⅞	6.0
240	Merrill Lynch & Co., Inc.	NYSE	.80	.28	11.1	30	2.7
241	Overnite Transportation Co.	NYSE	.56	.195	11.1	23⅝	2.4
242	Kellogg Co.	NYSE	1.68	.59	11.0	36¾	4.6
243	Florida Power & Light Co.	NYSE	3.76	1.325	10.9	42⅜	8.9
244	Great Northern Nekoosa Corp.	NYSE	1.40	.497	10.9	34¼	4.1
245	Stanley Works	NYSE	.96	.32	10.9	26¼	3.7
246	Witco Chemical Corp.	NYSE	1.48	.498	10.9	32¾	4.5
247	Illinois Tool Works, Inc.	NYSE	.64	.225	10.8	27¼	2.4
248	Procter & Gamble Co.	NYSE	2.60	.90	10.8	53¾	4.8
249	Winn-Dixie Stores, Inc.	NYSE	1.68	.581	10.8	32¾	5.1
250	Federal Realty Investment Trust	ASE	1.36	.48	10.7	19	7.2
251	Harvey Hubbell, Inc.	ASE	1.36	.469	10.7	32⅞[2]	4.1
252	Holiday Inns, Inc.	NYSE	.90	.319	10.7	37⅛	2.4
253	Robins (A. H.) Company, Inc.	NYSE	.76	.26	10.7	18⅜	4.1
254	Citizens & Southern Corp.	OTC	1.00	.3636	10.6	25¼	4.0
255	McKesson Corp.	NYSE	2.40	.88	10.6	38	6.3
256	PNC Financial Corp.	OTC	2.32	.795	10.6	43¾	5.3
257	Stauffer Chemical Co.	NYSE	1.44	.525	10.6[7]	17¾	8.1
258	Minnesota Mining & Manufacturing Co.	NYSE	3.40	1.25	10.5	80	4.3
259	Fifth Third Bancorp	OTC	2.20	.7625	10.4	50½	4.4
260	International Multifoods Corp.	NYSE	1.76	.6525	10.4	25½	6.9
261	Oneok, Inc.	NYSE	2.56	.933	10.4	28⅜	9.0
262	Transamerica Corp.	NYSE	1.64	.59	10.4	25¾	6.4
263	United Companies Financial Corp.	ASE	1.00	.3655	10.4	34¼	2.9
264	The Coca-Cola Co.	NYSE	2.76	1.04	10.3	62½	4.4
265	Gorman-Rupp Co.	ASE	1.12	.419	10.3	27⅛	4.1
266	Southtrust Corp.	OTC	.88	.32	10.2	19½	4.5
267	First Alabama Bancshares, Inc.	OTC	1.00	.371	10.1	22¼	4.5
268	American Filtrona Corp.	OTC	1.32	.476	10.0	24¼	5.4
269	CITICORP	NYSE	2.06	.78	10.0	36¾	5.6
270	Texas Eastern Corp.	NYSE	2.20	.835	10.0	31⅞	6.9
271	Society Corp.	OTC	1.70	.67	9.8	32	5.3
272	Beatrice Companies, Inc.	NYSE	1.70	.67	9.6	28⅛	6.0
273	MEM Company, Inc.	ASE	1.16	.453	9.6	27⅞	4.2
274	T.R.W., Inc.	NYSE	2.80	1.12	9.6	70⅛	4.0
275	Hormel (Geo. A.) & Co.	ASE	1.04	.42	9.5	31⅜	3.3
276	PPG Industries, Inc.	NYSE	1.44	.565	9.5	34¾	4.1
277	Stride Rite Corp.	NYSE	.80	.324	9.5	16⅝	4.8
278	Martin-Marietta Corp.	NYSE	1.34	.545	9.4	39⅛	3.4
279	Grow Group, Inc.	NYSE	.40	.163	9.3	14	2.9
280	Houston Industries, Inc.	NYSE	2.48	1.00	9.3	21¼	11.7

Latest Earnings Per Share	1983 Payout	Annual Sales (millions)	Net Income (millions)	Return on Sales	Shareholders' Equity (millions)	Return on Equity	Fiscal Year Ended
$4.02	17.4%	$ 307.3	$ 29.0[3]	9.4%	$ 204.1	14.2%	12/31/83
6.50	24.9	6,034.2	347.8	5.8	2,052.5	16.9	12/31/83
2.38	31.9	424.6	29.0	6.8	207.6	14.0	12/31/83
3.58	51.4	1,685.4	127.9	7.6	649.9	19.7	12/31/83
3.20	34.4	1,706.1	100.2	5.9	596.0	16.8	12/31/83
2.65	83.0	959.5	93.8	9.8	449.6	20.9	12/31/83
2.01	37.3	1,167.8	14.6	1.3	190.0	7.7	12/31/83
1.80	22.4	94.4	4.1[3]	4.3	40.5	10.1	3/31/84
4.21	52.3	367.4	103.4	28.1	725.6	14.3	12/31/83
5.29	42.1	4,996.9	211.2	4.2	1,474.9[5]	14.3	12/31/83
1.65	22.4	210.4	16.0	7.6	97.3	16.4	7/31/83
1.58	32.6	153.6	7.5	4.9	50.3	14.9	12/31/83
2.43	36.1	1,355.0	65.5	4.8	542.1	12.1	12/31/83
1.43	24.4	62.4	3.6	5.8	23.6	15.3	12/31/83
3.36	30.5	3,344.1	138.7	4.1	758.6	18.3	6/30/84
3.43	63.0	238.4	34.9	14.6	246.8[5]	14.1	12/31/83
4.20	49.4	3,274.3	188.8	5.8	1,477.7	12.8	12/31/83
1.47	25.6	471.0	20.5	4.4	126.7	16.2	6/2/84
3.17	30.0	127.6	13.7	10.7	78.0	17.6	12/31/83
2.00	35.0	219.9	21.5	9.8	163.5	13.1	12/31/83
6.13	44.9	3,033.7	457.4	15.1	2,121.0	21.6	12/31/83
2.17	35.5	248.2	19.1	7.7	144.1	13.3	12/31/83
.57	82.7	204.3	3.2	1.6	48.3[5]	6.6	9/30/83
2.58	25.3	120.9	12.2	10.1	70.3	17.4	12/31/83
1.71	67.3	1,119.5	35.9	3.2	597.7	6.0	9/30/83
1.88	50.2	187.5	14.5	7.7	132.7	10.9	12/31/83
3.68[1]	29.7	263.6	22.7	8.6	175.1	13.0	12/31/83
3.46	25.4	1,089.0	49.1	4.5	249.6	19.7	12/31/83
6.76	52.5	7,093.4	390.3	5.5	2,237.9	17.4	12/31/83
2.68	29.1	5,686.0	230.2	4.0	1,888.0	12.2	12/26/83
2.10	22.9	340.8	28.5	8.4	154.9	18.4	12/31/83
3.17	51.1	2,381.1	242.7	10.2	977.9	24.8	12/31/83
5.02	70.5	3,352.5	267.8	8.0	2,194.3[5]	12.2	12/31/83
3.25	41.5	1,565.0	84.0	5.4	902.2	9.3	12/31/83
1.92	40.6	983.6	52.9	5.4	435.4	12.1	12/31/83
3.60	35.0	1,385.7	52.0	3.8	336.7	15.4	12/31/83
1.99	29.1	497.8	49.5	9.9	339.9	14.6	12/31/83
5.22	46.0	12,452.0	866.0	7.0	4,601.0	18.8	6/30/83
2.83	52.9	7,302.4	115.9	1.6	608.7	19.0	6/30/84
1.32	84.8	21.1	8.0	37.9	45.3	17.7	12/31/83
2.99	40.1	422.3	37.1	8.8	247.3	15.0	12/31/83
3.28	25.3	1,585.0	124.3	7.8	1,039.5	12.0	12/30/83
2.40	25.8	563.5	58.2	10.3	355.8	16.4	12/31/83
2.96	31.3	175.0	20.2	11.5	122.0	16.6	12/31/83
3.46	69.4	4,275.8	62.9	1.5	552.7	11.4	3/31/84
5.66	34.8	1,059.8	37.6	3.5	765.1	4.9	12/31/83
d.28[1]	—	1,339.9	d12.3[1]	—	1,041.1	—	9/30/83
5.67	58.2	7,039.0	667.0	9.5	3,698.0	18.0	12/31/83
6.37	28.3	165.9	29.7	17.9	182.5	16.3	12/31/83
4.03	42.3	1,067.1	32.9	3.1	222.7	14.8	2/29/84
2.51	95.6	1,058.8	30.4	2.9	352.8[5]	8.6	8/31/83
2.77	54.7	4,681.1	198.4	4.2	1,814.3	10.9	12/31/83
4.23	22.9	108.9	6.2	5.7	37.0	16.8	12/31/83
4.10[3]	65.4	6,828.9	558.3[3]	8.2	2,920.8	19.1	12/31/83
2.07	52.2	64.9	5.4	8.3	39.0	13.8	12/31/83
2.44	32.0	265.6	27.8	10.5	176.7	15.7	12/31/83
2.57	34.4	299.7	39.6	13.2	279.1	14.2	12/31/83
2.27	49.1	100.9	5.2	5.2	46.0	11.3	12/31/83
6.48	28.4	15,197.0	860.0	5.7	5,352.0	16.1	12/31/83
2.98	68.8	5,393.0	192.3	3.6	1,422.0[5]	13.5	12/31/83
4.53	35.3	384.3	29.3	7.6	266.1	11.0	12/31/83
4.23	37.4	9,327.0	433.0	4.7	2,028.0	21.4	2/29/84
2.45	44.5	67.6	3.9	5.8	41.8	9.3	12/31/83
5.53	47.9	5,493.0	205.2	3.7	1,616.0	12.7	12/31/83
2.90	34.5	1,417.7	27.8	2.0	263.8	10.5	10/30/83
3.34	36.8	3,681.6	232.5	6.3	1,845.8	12.6	12/31/83
2.35	30.6	301.7	16.8	5.6	106.0	15.8	12/2/83
4.23	30.6	3,899.2	141.3	3.6	845.4	16.7	12/31/83
.84	41.4	237.6	5.5	2.3	49.2	11.2	6/30/83
3.54	64.4	3,993.0	303.7	7.6	2,220.6[5]	13.7	12/31/83

TOP CORPORATE PERFORMERS

Rank	Company	Where Traded	Current Indicated Dividend	1974 Dividend	Ten-Year Dividend Growth Rate[6]	Recent Stock Price	Current Yield
281	National Service Industries, Inc.	NYSE	$ .88	$ .36	9.3%	$28⅞	3.0%
282	Haverty Furniture Companies, Inc.	OTC	.48	.20	9.1	13½	3.6
283	Jaclyn, Inc.	ASE	.50	.206	9.1	16⅛	3.1
284	Montana-Dakota Utilities Co.	NYSE	2.56	1.03	9.1	28¼	9.1
285	American National Insurance Co.	OTC	.96	.405	9.0	29½	3.3
286	Brockway, Inc.	NYSE	1.32	.56	9.0[7]	17	7.8
287	Public Service Co. of New Mexico	NYSE	2.84	1.20	9.0	24½	11.6
288	Reynolds (R. J.) Industries, Inc.	NYSE	3.40	1.37	9.0	68	5.0
289	California Water Service Co.	OTC	2.40	1.02	8.9	28½	8.4
290	Chubb Corp.	NYSE	2.20	.913	8.9	49¾	4.4
291	Marine Corp. (Milwaukee)	OTC	1.30	.533	8.9	22¼	5.9
292	San Jose Water Co.	ASE	2.65	1.12	8.9	38⅜	6.9
293	CPC International, Inc.	NYSE	2.20	.948	8.8	38¼	5.8
294	Moore Products Co.	OTC	.88	.38	8.8[7]	28¼	3.1
295	American Controlled Industries, Inc.	ASE	.92	.40	8.7	36⅞	2.5
296	Block Drug Co., Inc.	OTC	1.00	.43	8.7	27	3.7
297	First Bankshares Corp of South Carolina	OTC	1.68	.727	8.7	68	2.5
298	First National Cincinnati Corp.	OTC	2.60	1.054	8.7	43½	6.0
299	Teco Energy, Inc.	NYSE	2.20	.94	8.7	28⅜	7.8
300	Labatt (John) Limited	OTC	.96	.40	8.6	20½	4.7
301	Texas Industries, Inc.	NYSE	.80	.3446	8.6	30	2.7
302	Jewel Companies, Inc.	NYSE	2.60	1.153	8.5	72¼	3.6
303	Marshall & Ilsley Corp.	OTC	2.12	.925	8.5	47¾	4.4
304	Norwest Corp.	NYSE	1.80	.80	8.5[7]	25¾	7.0
305	Southern Indiana Gas & Electric Co.	NYSE	2.48	1.10	8.5	31	8.0
306	ARA Services Inc.	NYSE	2.10	.93	8.4	67¾	3.1
307	Elder-Beerman Stores Corp.	OTC	.22	.098	8.4	13	1.7
308	Huntington Bancshares, Inc.	OTC	1.48	.618	8.4	32	4.6
309	Banco De Ponce	OTC	2.00	.90	8.3	32¼	6.2
310	Bard (C. R.), Inc.	NYSE	.44	.19	8.3	24	1.8
311	Valley Bancorporation (Wisc.)	OTC	1.00	.452	8.3	22½	4.5
312	Baybanks, Inc.	OTC	2.20	.98	8.2	38¾	5.7
313	Dominion Bankshares Corp.	OTC	1.20	.503	8.2	24½	4.9
314	Maryland National Corp.	OTC	1.60	.675	8.2	38¾	4.1
315	Southwestern Public Service Co.	NYSE	1.74	.80	8.1	21¼	8.2
316	Parker Hannifin Corp.	NYSE	1.04	.48	8.0	30¼	3.4
317	Bell Canada Enterprises, Inc.	NYSE	2.18	1.017	7.9	25⅝	8.5
318	Centel Corp.	NYSE	2.32	1.08	7.9	37	6.3
319	Colgate-Palmolive Co.	NYSE	1.28	.60	7.9	24⅞	5.2
320	First Kentucky National Corp.	OTC	1.44	.6222	7.9	31¼	4.6
321	Borden, Inc.	NYSE	2.72	1.25	7.8	59¾	4.6
322	Nabisco Brands, Inc.	NYSE	2.48	1.15	7.8	50	5.0
323	Texas Utilities Co.	NYSE	2.36	1.09	7.8	26¼	9.0
324	U.S. Bancorp. (Portland, Oregon)	OTC	1.10	.4417	7.8	23¼	4.7
325	First Bank System, Inc.	NYSE	1.48	.7065	7.7	27¼	5.4
326	Florida Progress Corp.	NYSE	2.04	.975	7.7	23	8.9
327	Rochester Gas & Electric Co.	NYSE	2.04	.971	7.7	17¼	11.8
328	Missouri Public Service Co.	NYSE	1.20	.573	7.6	17⅝	6.8
329	Consolidated Natural Gas Co.	NYSE	2.16	1.05	7.5	39	5.5
330	Federated Department Stores, Inc.	NYSE	2.40	1.14	7.5	50⅞	4.7
331	Citizens Utilities Co.	OTC	1.80	.88	7.4	25¾[2]	7.0
332	Continental Bancorp, Inc.	OTC	2.04	.963	7.4	29½	6.9
333	Norstar Bancorp, Inc.	NYSE	2.20	1.056	7.4	34	6.5
334	Stanadyne, Inc.	OTC	.96	.46	7.3	23	4.2
335	Ameritrust Corp.	OTC	2.88	1.44	7.2[7]	52	5.5
336	Amsouth Bancorporation	NYSE	1.28	.64	7.2	24	5.3
337	Penney (J. C.) Co., Inc.	NYSE	2.36	1,15	7.2	52	4.5
338	Purolator Courier Corp.	NYSE	1.24	.62	7.1	24¼	5.1
339	Utah Power & Light Co.	NYSE	2.32	1.165	7.1	23⅜	9.9
340	Banks of Iowa, Inc.	OTC	1.56	.79	7.0	46½	3.4
341	Commerce Bancshares, Inc.	OTC	2.00	1.008	7.0	43½	4.6
342	Hawaiian Electric Industries	NYSE	1.56	.795	7.0	18⅞	8.3
343	National Fuel Gas Co.	NYSE	1.88	.875	7.0	26⅛	7.2
344	FMC Corporation	NYSE	1.80	.92	6.9[7]	58½	3.1
345	Monarch Capital Corp.	OTC	1.40	.72	6.9	40	3.5
346	Monsanto Company	NYSE	2.30	1.15	6.9	43⅞	5.3
347	Prentice-Hall, Inc.	ASE	1.84	.94	6.9	45½	4.0
348	Southern Union Co.	NYSE	1.64	.85	6.8	26¾	6.1
349	CharterCorp.	OTC	1.02	.525	6.7	27½	3.7
350	Public Service Co. of North Carolina, Inc.	OTC	1.72	.89	6.7	19¼	8.9

Latest Earnings Per Share	1983 Payout	Annual Sales (millions)	Net Income (millions)	Return on Sales	Shareholders' Equity (millions)	Return on Equity	Fiscal Year Ended
$2.25	35.6%	$ 936.4	$ 55.3	5.9%	$ 334.4	16.5%	8/31/83
1.92	19.0	155.0	5.3	3.4	43.6	12.2	12/31/83
1.50	26.8	49.6	2.7	5.4	17.7	15.3	6/30/84
3.90	58.7	325.1	31.0	9.5	206.4[5]	15.0	12/31/83
4.00	21.8	751.6	116.0	15.4	922.0	12.6	12/31/83
0.03	—	828.7	0.2	0.0	213.1	0.1	12/31/83
3.53	79.6	397.4	116.3	29.3	855.6[5]	13.6	12/31/83
6.84[3]	44.6	13 533.0	835.0[3]	6.2	5,854.0	14.3	12/31/83
3.31	68.0	82.7	8.9	10.8	71.1[5]	12.5	12/31/83
4.56	44.1	1,761.3	79.6	4.5	762.5	10.2	12/31/83
3.88	29.0	229.9	16.7	7.3	143.0	11.7	12/31/83
4.29	55.9	47.1	5.8	12.3	48.2[5]	12.0	12/31/83
2.81	77.4	4,010.9	136.2	3.4	1,306.0	10.4	12/31/83
1.44	61.1	53.2	3.0	5.6	41.1	7.3	12/31/83
3.10	29.0	25.5	2.8	11.0	22.8	12.3	12/31/83
3.18	30.5	238.2	23.9	10.1	152.0	15.8	3/31/84
5.26	30.8	146.5	13.1	8.9	102.4	12.8	12/31/83
5.18	45.6	222.5	25.6	11.5	203.6	12.6	12/31/83
3.14	63.7	676.6	74.2	11.0	548.2	13.5	12/31/83
3.04[1]	26.9	2,449.5	86.4[1]	3.5	383.2	22.6	4/30/84
1.54	50.9	335.4	12.3	3.7	174.7	7.0	5/31/84
6.36	40.4	5,723.5	83.0	1.5	618.9	13.4	1/28/84
6.53	30.0	299.2	31.5	10.5	216.1	14.6	12/31/83
4.05	44.5	1,995.1	125.2	6.3	1,130.1	11.1	12/31/83
4.28	53.3	276.7	24.8	9.0	170.6[5]	14.5	12/31/83
4.51	45.3	3,056.5	53.6	1.8	550.8	9.7	9/30/83
2.31	8.3	286.7	7.1	2.5	43.8	16.2	1/29/84
3.06	45.1	513.6	24.5	4.8	284.9	8.6	12/31/83
6.81	27.2	153.7	11.0	7.2	83.2	13.3	12/31/83
2.22	17.6	396.9	33.3	8.4	194.2	17.2	12/31/83
3.06	28.3	101.7	8.3	8.2	58.8	14.1	12/31/83
5.09	38.4	411.0	32.0	7.8	256.6	12.5	12/31/83
2.50	40.8	336.6	24.5	7.28	199.2	12.3	12/31/83
4.69	28.1	488.7	33.6	7.9	347.7	11.1	12/31/83
2.36	69.9	725.9	85.8	11.8	458.1[5]	18.7	8/31/83
2.68	38.8	1,304.8	71.5	5.5	518.3	13.8	6/30/84
3.46	60.2	8,574.7	745.2	8.4	5,730.5	13.0	12/31/83
4.12	54.9	1,272.1	112.1	8.8	727.0[5]	15.4	12/31/83
2.42	52.1	4,864.8	197.8	4.1	1,342.6	14.7	12/31/83
3.35	36.0	258.6	29.8	11.5	203.1	14.7	12/31/83
6.56	36.5	4,264.7	189.0	4.5	1,391.0	13.6	12/31/83
4.86	45.7	5,985.2	322.6	5.4	1,710.8	18.9	12/31/83
3.90	55.4	3,487.9	461.4	13.2	3,235.4[5]	14.3	12/31/83
2.93	34.2	580.7	52.4	9.0	482.5	10.9	12/31/83
4.23	33.1	1,702.6	129.7	7.6	1,105.3	11.7	12/31/83
2.64	73.9	1,338.1	103.9	7.8	818.3[5]	12.7	12/31/83
3.23	57.0	756.0	75.7	10.0	539.1[5]	14.0	12/31/83
2.99	36.9	216.5	19.2	8.9	112.4	17.1	12/31/83
4.74	42.2	3,445.1	192.0	5.6	1,288.8[5]	14.9	12/31/83
6.96	31.3	8,689.5	338.3	3.9	2,333.4	14.5	1/28/84
2.07	79.2	221.5	38.4	17.3	273.6[5]	14.0	12/31/83
3.46	54.2	299.2	30.1	10.1	222.4	13.5	12/31/83
4.55	45.0	437.9	58.2	13.3	470.5	12.4	12/31/83
2.30	37.8	374.6	22.0	5.9	161.0	13.7	12/31/83
5.49	52.5	511.3	51.0	10.0	628.5	8.1	12/31/83
3.02	38.7	325.0	1.9	0.6	256.6	13.1	12/31/83
6.25	33.9	12,078.0	467.0	3.9	3,559.0	13.1	1/30/84
2.90	40.0	712.5	20.2	2.8	207.7	9.7	12/31/83
2.39	95.4	854.8	123.5	14.4	985.9[5]	12.5	12/31/83
2.69	56.5	146.2	7.7	5.3	112.4	6.9	12/31/83
6.59	28.8	308.3	34.8	11.3	275.2	12.7	12/31/83
4.12	73.5	622.6	31.0	5.0	251.8[5]	12.3	12/31/83
2.42	62.0	1,011.3	27.8	2.7	264.9[5]	10.5	9/30/83
5.02	35.9	3,498.2	168.8	4.8	1,450.8	11.6	12/31/83
3.30	41.5	298.2	30.5	10.2	288.1	10.6	12/31/83
4.49	46.2	6,299.0	369.0	5.9	3,667.0	10.1	12/31/83
3.93	45.3	448.2	39.0	8.7	216.1	18.0	12/31/83
2.33	67.8	1,041.2	23.6	2.3	211.6[5]	11.2	12/31/83
2.30	41.7	245.6	19.2	7.8	784.2	10.4	12/31/83
2.24	70.5	247.3	7.7	3.1	49.9[5]	15.4	12/31/83

TOP CORPORATE PERFORMERS

Rank	Company	Where Traded	Current Indicated Dividend	1974 Dividend	Ten-Year Dividend Growth Rate[6]	Recent Stock Price	Current Yield
351	Wisconsin Public Service Corp.	NYSE	$2.56	$1.28	6.7%	$32¼	7.9%
352	Alltel Corp.	NYSE	1.80	.953	6.6	23	7.8
353	Atlanta Gas Light Co.	OTC	2.20	1.16	6.6	26½	8.3
354	Consumers Water Co.	OTC	1.40	.68	6.5	22	6.4
355	Manufacturers Hanover Corp.	NYSE	3.16	1.68	6.5	31⅛	10.2
356	NBD Bancorp, Inc.	NYSE	2.40	1.23	6.5	48	5.0
357	Northeast Bancorp, Inc.	OTC	2.40	1.28	6.5	48	5.0
358	Tambrands, Inc.	NYSE	3.00	1.60	6.5	58½	5.1
359	Wisconsin Electric Power Co.	NYSE	2.28	1.2067	6.4	32⅞	6.9
360	Tenneco, Inc.	NYSE	2.80	1.52	6.3	37⅞	7.4
361	Grace (W. R.) & Co.	NYSE	2.80	1.525	6.2	42¼	6.6
362	Warner-Lambert Co.	NYSE	1.48	.81	6.2	31⅜	4.7
363	Household International, Inc.	NYSE	1.75	.95	6.1	32¾	5.3
364	Iowa-Illinois Gas & Electric Co.	NYSE	2.60	1.44	6.1	25¾	10.1
365	Maine Public Service Co.	ASE	2.32	1.28	6.1	16⅜	14.2
366	Commonwealth Energy System	NYSE	2.32	1.24	6.0	21⅛	11.0
367	Iowa Southern Utilities Co.	OTC	3.28	1.84	6.0	38½	8.5
368	Kansas Power & Light Co.	NYSE	2.76	1.51	6.0	32⅝	8.5
369	Midwest Energy Corp.	NYSE	2.68	1.50	6.0	25⅞	10.4
370	Northwest Natural Gas Corp.	OTC	1.36	.76	6.0	15⅛	9.0
371	Connecticut Natural Gas Corp.	NYSE	2.40	1.35	5.9	22	10.9
372	United Telecommunications, Inc.	NYSE	1.92	1.06	5.9	22⅝	8.6
373	Minnesota Power & Light Co.	NYSE	2.56	1.46	5.8	29½	8.7
374	Continental Telecom, Inc.	NYSE	1.72	.98	5.7	22⅛	7.8
375	First Capital Corp. (Jackson, Miss.)	OTC	2.35	1.35	5.7	49	4.8
376	GTE Corp.	NYSE	3.08	1.74	5.7	40⅝	7.6
377	Squibb Corp.	NYSE	1.44	.83	5.7	46⅝	3.1
378	Iowa Resources, Inc.	NYSE	3.00	1.74	5.6	27¾	10.8
379	Allegheny Power System, Inc.	NYSE	2.60	1.52	5.5	28½	9.1
380	Wisconsin Power & Light Co.	NYSE	2.56	1.48	5.5	30⅝	8.4
381	Central & South West Corp.	NYSE	1.90	1.12	5.4	20⅞	9.1
382	Niagara Mohawk Power Corp.	NYSE	2.00	1.18	5.3	16⅜	12.2
383	Gencorp, Inc.	NYSE	1.50	.896	5.2	35⅛	4.3
384	Idaho Power Corp.	NYSE	3.28	1.91	5.2	37⅛	8.8
385	Washington Water Power Co.	NYSE	2.48	1.49	5.2	18¼	13.6
386	El Paso Electric Co.	OTC	1.46	.88	5.0	12⅝	11.6
387	Atlantic City Electric Co.	NYSE	2.48	1.50	4.9	23⅝	10.6
388	Columbia Gas System, Inc.	NYSE	3.18	1.98	4.9	31⅝	10.1
389	Diversified Energies, Inc.	NYSE	2.60	1.57	4.8	32¼	8.1
390	KN Energy, Inc.	NYSE	1.48	.93	4.7	34¾	4.3
391	Central Banking System, Inc.	OTC	0.40	.252	4.7	17½	2.3
392	Kansas City Power & Light Co.	NYSE	2.36	1.467	4.7	19½	12.1
393	NICOR, Inc.	NYSE	3.04	1.92	4.7	28¼	10.8
394	Washington Energy Co.	OTC	1.68	1.05	4.7	16½	10.2
395	Southern California Water Co.	OTC	1.70	1.05	4.6	16⅝	10.4
396	Cleveland Electric Illuminating Co.	NYSE	2.52	1.60	4.3	18⅞	13.4
397	Kansas Gas & Electric Co.	NYSE	2.36	1.56	4.2	17⅛	13.8
398	IU International Corp.	NYSE	1.20	.80	3.9	15¾	7.6
399	Middle South Utilities, Inc.	NYSE	1.74	1.215	3.7	12¾	13.7
400	Southwestern Electric Service Co.	OTC	1.80	1.21	3.7	23	4.4
401	South Carolina Electric & Gas	NYSE	2.05	1.47	3.3	22⅝	9.2
402	Tootsie Roll Industries, Inc.	NYSE	.40	.2933	3.0	30¾	1.3
403	Louisville Gas & Electric Co.	NYSE	2.44	1.84	2.6	25¼	9.7

1. Before extraordinary item
2. Class B shares
3. Before discontinued operations
4. Dividend is for Dart Industries
5. Common Stockholders Equity
6. Based on dividend declaration up to 10/22/84

Latest Earnings Per Share	1983 Payout	Annual Sales (millions)	Net Income (millions)	Return on Sales	Shareholders' Equity (millions)	Return on Equity	Fiscal Year Ended
$3.89	57.1%	$ 629.9	$ 45.6	7.2%	$ 300.1	15.2%	12/31/83
2.75	62.7	446.4	50.3	11.3	370.7[6]	13.6	12/31/83
3.11	63.1	1,113.7	18.0	1.7	173.8	10.4	9/30/83
2.43	46.6	56.5	5.5	9.7	36.9[6]	14.5	12/31/83
8.37	36.3	5,977.2	336.9	5.6	2,671.1	12.6	12/31/83
6.75	32.1	1,074.3	81.6	7.6	797.6	10.2	12/31/83
5.57	41.5	151.1	16.3	10.8	116.5	14.0	12/31/83
4.59	62.1	346.4	51.0	14.7	178.1	28.6	12/31/83
3.97	51.9	1,417.5	134.9	9.5	868.4[6]	15.5	12/31/83
4.75	57.7	14,449.0	716.0	5.0	6,413.0	11.2	12/31/83
3.28	85.4	6,219.5	159.7	2.6	2,182.3	7.3	12/31/83
2.51	56.6	3,108.3	200.4	6.4	1,420.5	14.1	12/31/83
3.68	45.1	1,161.1	206.4	17.8	1,429.6	14.4	12/31/83
4.20	59.0	514.1	49.9	9.7	311.2[6]	16.0	12/31/83
6.68	33.2	33.2	5.5	16.6	32.4[5]	17.0	12/31/83
4.63	43.2	619.7	39.1	6.3	202.7[6]	19.3	12/31/83
5.74	52.3	133.5	16.7	12.5	108.0[6]	15.5	12/31/83
4.66	54.1	859.5	75.3	8.8	445.3[6]	16.9	12/31/83
3.31	78.7	386.1	33.7	8.7	245.6[6]	13.7	12/31/83
1.60	61.3	364.2	13.8	3.8	124.5[6]	11.1	12/31/83
2.32	99.1	195.6	6.2	3.2	59.4[6]	10.4	12/31/83
2.72	66.2	2,510.8	218.7	8.7	1,645.0[6]	13.3	12/31/83
3.82	62.8	374.0	47.5	12.7	325.9[6]	14.6	12/31/83
2.45	66.1	2,101.3	166.7	7.9	1,206.4[6]	13.8	12/31/83
6.29	36.8	137.8	11.8	8.6	108.2	10.9	12/31/83
5.12	57.4	12,943.9	928.5	7.2	6,480.8[6]	14.3	12/31/83
3.31	41.2	1,768.8	173.2	9.8	1,231.4	14.1	12/31/83
4.46	65.5	457.9	45.6	10.0	301.5[6]	15.1	12/31/83
3.54	70.6	1,724.2	169.7	9.8	1,149.2[6]	14.8	12/31/83
3.97	59.4	565.5	49.6	8.9	311.9[6]	15.9	12/31/83
3.02	58.9	2,612.6	267.4	10.2	1,848.6[6]	14.5	12/31/83
2.77	68.2	2,632.3	270.3	10.3	1,929.1[5]	14.0	12/31/83
3.22	46.4	2,184.3	74.5	3.4	945.7	7.9	11/30/83
4.50	66.2	376.1	72.2	19.2	513.3	14.1	12/31/83
3.02	82.1	338.8	55.9	16.5	456.5[6]	12.2	12/31/83
2.48	55.2	302.4	78.8	26.1	437.9[6]	18.0	12/31/83
3.46	66.1	517.1	66.1	12.8	500.9	13.2	12/31/83
4.87[7]	62.0	5,078.3	182.0[7]	3.6	1,596.6[6]	11.4	12/31/83
4.90	47.8	742.8	21.6	2.9	145.2[6]	14.9	12/31/83
2.37	62.4	465.7	20.5	4.4	137.1[6]	15.0	12/31/83
2.21	17.0	128.8	7.1	5.5	53.7	13.2	12/31/83
4.15	52.4	562.5	104.9	18.6	666.3[6]	15.7	12/31/83
1.66	182.5	2,236.7	42.6	1.9	831.6[6]	5.2	12/31/83
1.26	127.0	339.3	6.8	2.0	94.1[5]	7.2	9/30/83
1.80	87.2	52.4	3.6	6.9	33.3[6]	10.8	12/31/83
3.28	70.4	1,210.3	208.0	17.2	1,366.5[6]	15.3	12/31/83
3.08	73.7	393.0	92.0	23.4	643.2[6]	14.3	12/31/83
1.71	67.3	2,081.3	44.1	2.1	383.0	11.5	12/31/83
2.46	69.1	2,909.7	378.1	13.0	3,001.5[6]	10.1	12/31/83
3.62	45.3	48.5	2.2	4.5	15.8[6]	13.9	12/31/83
2.29	86.5	974.6	86.8	8.9	709.9[6]	12.2	12/31/83
2.14	17.9	78.0	5.7	7.3	37.8	15.1	12/31/83
2.87	80.7	636.6	50.2	7.9	411.5[5]	12.2	12/31/83

7. *Dividend achiever status depends on increase in fourth quarter dividend. As of press time fourth quarter dividend not declared*

8. *Reflects consolidation of American Bancorp., Inc. and Central Penn National Corp.*

9. *Net asset value per share*

INVESTMENT UPDATE

Here's the current status of a number of investments, and a look at how they have fared over the past month and the past year.

INVESTMENT	(10/31/84) Recent Price or Yield	Value of $10,000 if invested: Month Earlier	Year Earlier
Common Stock (Index fund, capital gains and dividends reinvested)	$20.03/share	$10,205	$10,625
per cent change		2.0%	6.2%
Bonds (30-yr., 11¾% Treasury Bond)			
MARKET VALUE		$10,565	$10,170
ACCUMULATED INCOME	$105.50	$ 102	$ 1,189
TOTAL		$10,667	$11,359
per cent change		6.7%	3.6%
Money Market Fund	+10.16%	$10,086	$10,997
per cent change		+0.8%	+10.0%
Gold (Krugerrands)	$367.25	$10,143	$ 9,118
per cent change		+1.4%	−8.8%
HOUSE PRICES	**Recent**	**Month Earlier**	**Year Earlier**
Existing House	$77,100	$84,500	$79,800
per cent change		-6.7%	-3.2%
New House	$88,500	$87,400	$86,800
per cent change		+1.22%	+2.0%

Sources: Vanguard Group Inc.; Salomon Brothers; Donoghue's Money Fund Report; Douglas-Elliman-Gibbons & Ives, Inc.; Federal Home Loan Bank Board.

real estate, etc.); the track records of their prior deals; their net worth; whether they have been sued or audited by the Internal Revenue Service and potential conflicts of interest between the general partners and the investors. Winston advises investors to question the general partner directly about each item that is not covered fully in the disclosure document.

Carol LeCates, who investigates the general partners of tax shelter offerings for PaineWebber, Inc., observes that the more deals a syndicator has done, the more track record there is to examine. But she notes that a general partner with many years of business experience in, say, developing real estate may be a good bet to invest with even if he has not sponsored many partnerships. In examining past experience, however, it is important to check whether the general partner is putting together the same kind of deal in the current partnership that produced success in the past. Experience in building shopping centers in Houston does not necessarily qualify a partner to build apartments in New Jersey, and experience exploring for oil in Texas may not be a good background for wildcatting in California.

A good track record is extremely important, Winston says. "A good general partner may have problems, but you will seldom see a bad partner get lucky and do a good deal." LeCates scrutinizes how they have performed compared to the original projections. "If half of the deals have not lived up to projections, you probably don't want to invest with them," she says.

If the general partner's previous partnerships have been audited by the IRS, the investor wants to find out if any tax benefits were disallowed. LeCates says, "An audit in itself is not unusual, but if major tax benefits were disallowed, it indicates a general partner who has been aggressive in the past, increasing the chances of an audit of other partnerships they sponsor."

And in looking at lawsuits, the question is how the case was resolved. "If they have been sued several times or have a case pending, you have a problem," says LeCates. And an investigation by the Securities and Exchange Commission is also grounds for concern, she observes drily.

Winston says that investors should be wary of partnerships in which brokers serve as the general partner. "Investors must ask themselves if they will get an objective look at the investment from a broker who is selling its own product," he says. Similarly, when accountants or lawyers suggest deals, it is wise to ask about the relationship, if any, to the general partner.

Assuming the partnership passes these tests, you should check audited balance sheets and bank references to ensure that the general partner has sufficient financial strength and credit. "One of the key things you look for from the general partner is financial guarantees," according to LeCates. The partnership's financial strength is your only insurance that you can recover your losses in case of fraud or mismanagement.

A partnerships' structure—that is, the arrangements for paying costs and distributing profits—reflects on the general partner's integrity, says President Harry H. Wise of Maverick Oil, a New York syndicator of oil and gas partnerships. Some organizations have subsidiaries that handle partnership business; in such cases, investors should make sure that the general partner is not using the subsidiaries to increase its income from the partnership, notes PaineWebber's LeCates. Wise warns, "The more opportunities there are for conflicts of interest, the more questions you have to ask."

Wise, who purchased deals for a wealthy family before becoming a general partner of syndications, prefers deals in which the general partner takes the bulk of its profit after providing investors with a return on their investment rather than earning substantial upfront fees. Ideally, the general partner invests its money, too. "You must make sure the general partner has enough at stake that if you lose money, it means something to them," he says.

—Andre F. Shashaty

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401(k):
Fastest-Growing
Company Benefit

Transatlantic Telephone War

Frequent Flyer Finagling

Wheeling and Dealing In Natural Gas

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INVESTMENT UPDATE

Here's the current status of a number of investments, and a look at how they have fared over the past month and the past year.

INVESTMENT	(11/30/84) Recent Price or Yield	Value of $10,000 if invested: Month Earlier	Year Earlier
Common Stock (Index fund, capital gains and dividends reinvested)	$19.83/share	$ 9,900	$10,287
per cent change		−.10%	+2.9%
Bonds (30-yr., 11¾% Treasury Bond)			
MARKET VALUE		$10,005	$10,030
ACCUMULATED INCOME	$100.56	$ 97	$ 853
TOTAL		$10,102	$10,883
per cent change		+1.0%	+9.8%
Money Market Fund	+9.34%	$10,077	$11,004
per cent change		+0.8%	+0.04%
Gold (Krugerrands)	$341.00/oz.	$ 9,863	$ 8,622
per cent change		-1.3%	-13.7%
HOUSE PRICES	**Recent**	**Month Earlier**	**Year Earlier**
Existing House	$78,200	$77,300	$77,700
per cent change		+1.15%	+.64%
New House	$99,100	$98,400	$98,000
per cent change		+.71%	+1.11%

Sources: Vanguard Group Inc.; Salomon Brothers; Donoghue's Money Fund Report; Deak-Perera Fifth Avenue, Inc.; Federal Home Loan Bank Board.

share, but nevertheless stocks that can do very well if held long enough. He's keen on some regional banks—for example, First American Corp. (Tennessee), which was recently selling at about 25. He thinks it is very well managed and has no worrisome California real estate or international loans; there is also the prospect that its marketing area will grow through the development of contiguous banking. Hammond-Chambers sees no reason why earnings shouldn't grow 10%-to-15% a year compounded during the next five years, and the stock itself could double or triple in the same time. Added to that, it offers a 4%-to-5% yield, "which takes care of inflation."

Among Hammond-Chambers' other favored lower, slower growers:

- Lomas & Nettleton Financial Corp., the largest mortgage banker in the U.S. It is very well-managed and has a "super record," with 15%-to-17% compound earnings growth during the past few years.
- Monarch Capital Corp., a life insurance company that is devoting a good deal of energy to developing new forms of insurance, including variable life. Earnings to date haven't been too good, but they should speed up, and 10%-to-15% growth per year in earnings per share is possible during the next few years.
- Standard Brands Paints, a hot stock some years back that fell on hard times and is now a turnaround situation. The stock is cheap, the company has a clean balance sheet, and management has made some changes that eventually will transform it from basically a California company into a national firm.

Earnings growth for such companies may be slower than it is for some of the more glamorous hi-tech issues, but if held long enough the earnings—and the price of the stock—can really mount. Sums up Hammond-Chambers: "Our experience is, if you're a very-long-term investor, you can make very large profits. If you're a short-term investor, you're constantly trading in and out of small profits and losses." —C.M.

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Spotting Takeover Sharks

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The Import Wave

Toughest Test for U.S. Business

New Marketing Game of Stealing Customers

Saudi Petrochemicals: How Big a Threat?

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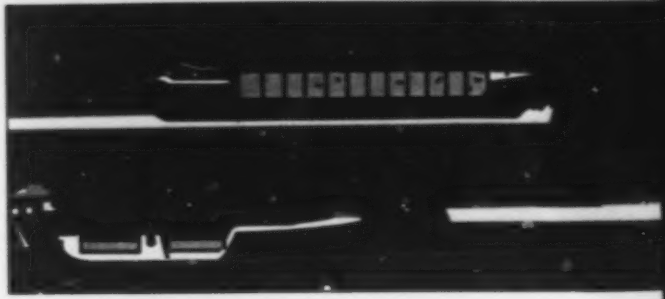

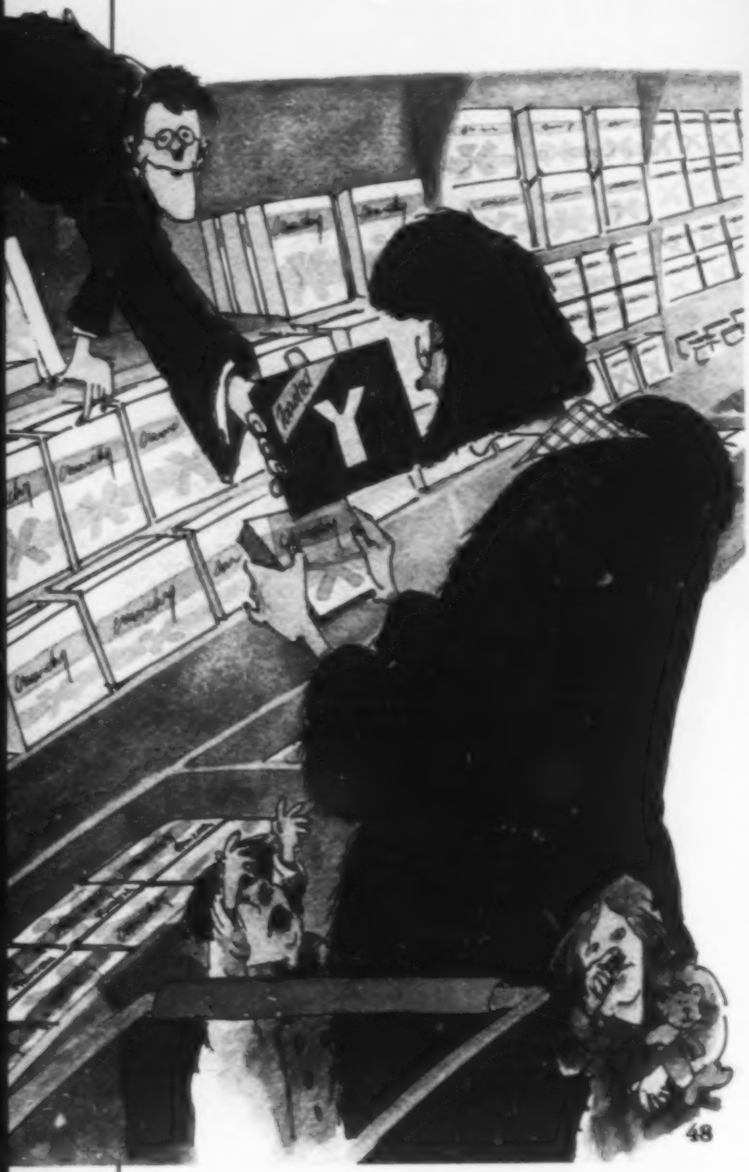

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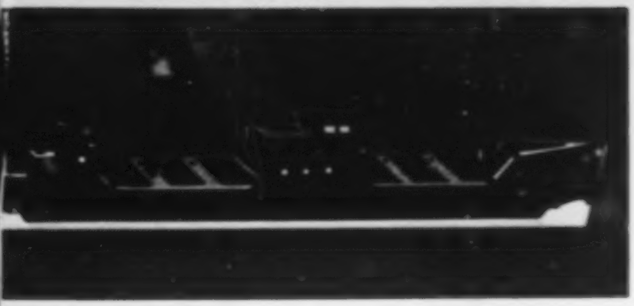

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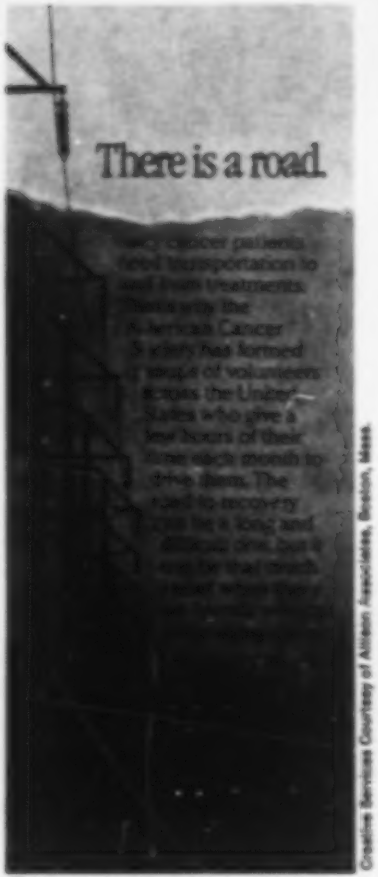

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INVESTMENT UPDATE

Here's the current status of a number of investments, and a look at how they have fared over the past month and the past year.

INVESTMENT	(12/31/84) Recent Price or Yield	Value of $10,000 if invested: Month Earlier	Year Earlier
Common Stock (Index fund, capital gains and dividends reinvested)	$19.52/share	$10,260	$10,621
per cent change		+2.6%	+6.2%
Bonds (30-yr., 11¾% Treasury Bond)			
MARKET VALUE	$100.88	$10,031	$10,190
ACCUMULATED INCOME		$ 97	$ 1,187
TOTAL		$10,128	$11,377
per cent change		+1.3%	+13.8%
Money Market Fund	+8.55%	$10,073	$11,004
per cent change		+0.7%	+0.4%
Gold (Krugerrands)	$308.20/oz.	$ 9,380	$ 7,995
per cent change		−6.4%	−2.0%
HOUSE PRICES	Recent	Month Earlier	Year Earlier
Existing House	$83,100	$79,700	$79,200
per cent change		+4.1%	+4.6%
New House	$100,200	$89,500	$94,800
per cent change		+6.9%	+5.3%

Sources: Vanguard Group Inc.; Salomon Brothers; Donoghue's Money Fund Report; Deak-Perera Fifth Avenue, Inc.; Federal Home Loan Bank Board.

Mass Merchandise Corp., the leading service merchandise company, distributes 16,000 non-food items, such as health and beauty products, pet supplies and hardware to 11,000 supermarkets, drugstores and other retailers in 32 states. In this highly fragmented industry, the company enjoys 2% of a $13 billion market, enough to make it a dominant factor for years to come, Aster says. He estimates that Mass Merchandise earned 85 cents a share last year on revenues of $314 million and will net $1.15 this year, yet it recently traded at a P/E of only 9.5.

Aster describes California Microwave, which manufactures telecommunications systems such as satellite earth stations for industry giants, including ITT, GTE and the Bell operating companies, as a "formidable competitor." He estimates that the company earned 70 cents a share in 1984 on revenues of $113 million. Although he sees per-share earnings advancing only minimally to 75 cents this year, Aster predicts that California Microwave will reap 20% annual earnings gains over the coming three-to-five years. Its P/E was recently around 10.

Home Health Care of America is one of the two largest suppliers (along with Baxter Laboratories) of intravenous feeding units for homebound patients. It currently has 30% of the market. Aster believes that the Reagan Administration will encourage the providing of home care, particularly for Medicare patients. Therefore, he is enthusiastic about the company's prospects despite its lackluster performance last year, a tough one for health care providers. Home Health Care's earnings per share were 10 cents in fiscal 1984 ended June 30, on sales of $58 million. Aster is anticipating a big jump to 50 cents a share in fiscal 1985.

If the money manager's expectations for these issues pan out, he will stay with them for a long time. One of his prime objectives is to hold on to stocks for the long term, say, five years. "As far as we are concerned, the point of investing in growth stocks is to see them grow into large companies," he says. ■

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Why The Yen Is Weak

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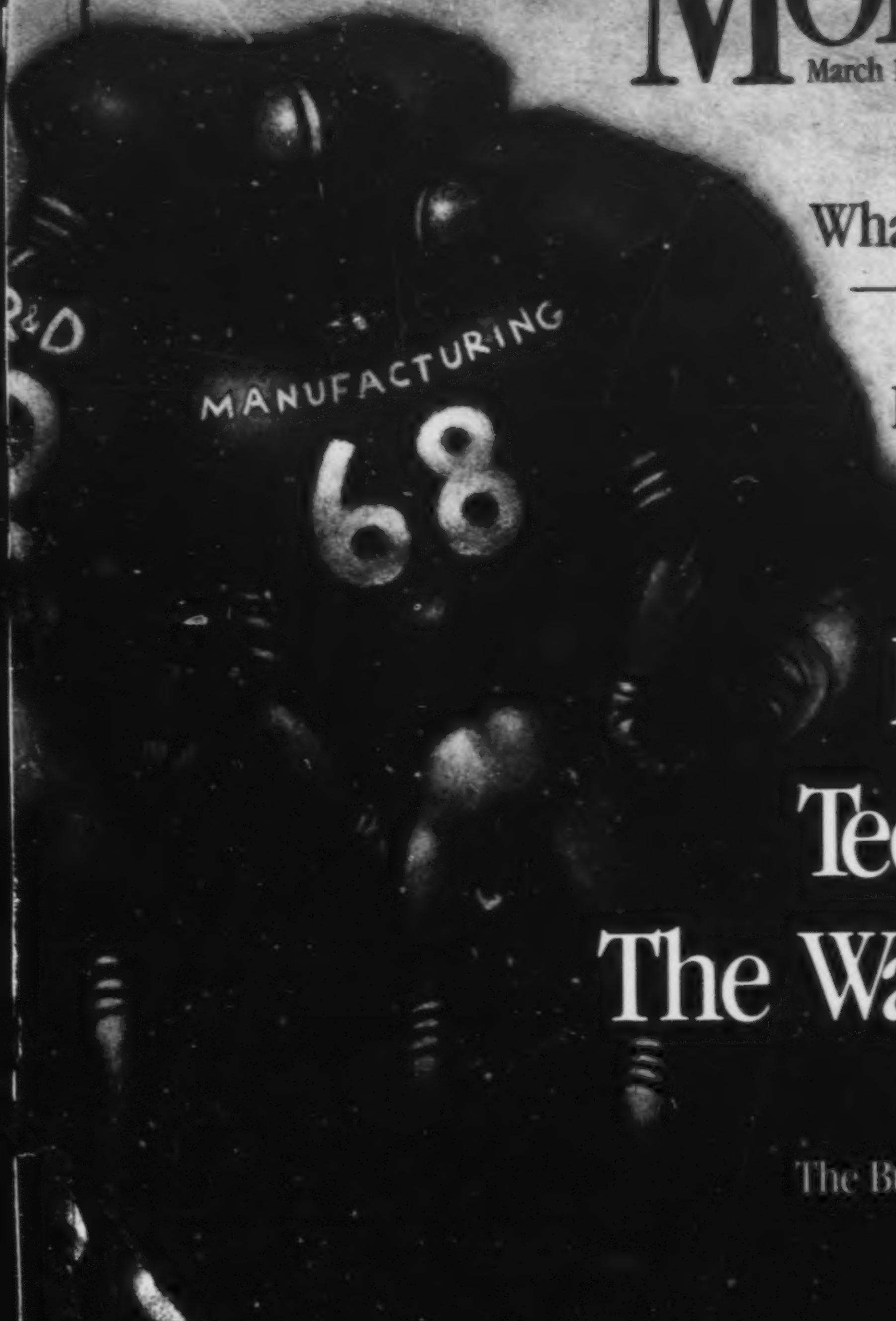
Banks vs. Brokers: What Congress Will Do

Marketers Target Big-Spending Teens



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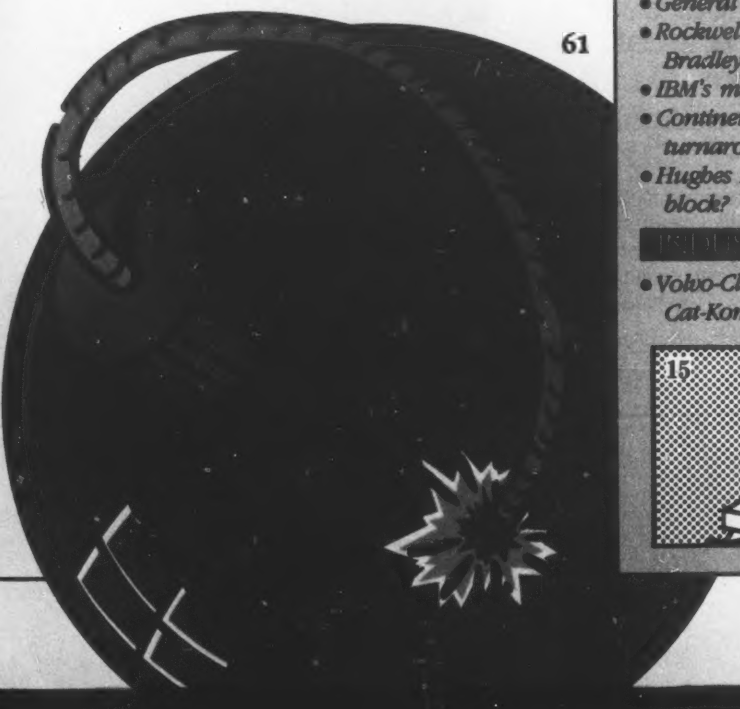

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There is a road.

Many cancer patients need transportation to and from treatments. That's why the American Cancer Society has formed groups of volunteers across the United States who give a few hours of their time each month to drive them. The road to recovery can be a long and difficult one, but it can be that much [illegible]

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pensation package, according to Bachelder. Usually, incentive plans offer stock options, sometimes specifying the number of shares to be received in the initial years of the agreement.

Bachelder advises executives to scrutinize the measures of corporate performance on which incentives are based to be sure they are to their advantage. They should also negotiate how long it will be before they can execute stock options or are vested in other incentives.

Some contracts also provide compensation for economic losses incurred in making the job change. This could include payment of benefits lost when an executive left the previous job; moving expenses; temporary living expenses; and compensation for higher mortgage rate outlays on the executive's new home versus the old.

Companies make demands in contracts, too. The executive may have to agree not to take valuable inside information to a competing firm.

Obviously, employment contracts are often complex legal documents. For that reason, Bachelder and Kenny agree that both parties should be represented by attorneys. In drawing up a contract, a lawyer can help steer clear of complex provisions of tax and securities law that could reduce the value of many of the benefits, Bachelder says.

But, he warns, "Make sure the lawyer is one who seeks solutions rather than one who is adversarial. The worst thing that can happen is that the lawyer blows the deal."

Kenny also cautions about the pitfalls in getting a contract. A contract may be counterproductive in the long run, he says, no matter how carefully its incentive provisions are drawn. "If you have extraordinary confidence in your ability to succeed, the chances are that a contract will be limiting. You may be very successful but your compensation will be frozen."

—ANDRÉ SHASHATY

INVESTMENT UPDATE

Here's the current status of a number of investments, and a look at how they have fared over the past month and the past year.

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Common Stock (Index fund, capital gains and dividends reinvested)	$21.00/share	$10,758	$11,465
per cent change		+7.6%	+14.6%
Bonds (30-yr., 11¾% Treasury Bond)			
MARKET VALUE	$103.06	$10,217	$10,252
ACCUMULATED INCOME		$ 97	$ 1,169
TOTAL		$10,314	$11,421
per cent change		+3.1%	+14.2%
Money Market Fund	+8.00	$10,068	$10,996
per cent change		+0.6%	+9.9%
Gold (Krugerrands)	$304.50/oz.	$ 9,880	$ 7,899
per cent change		−1.2%	−2.1%
HOUSE PRICES	**Recent**	**Month Earlier**	**Year Earlier**
Existing House	$87,100	$ 84,300	$82,700
per cent change		+3.2%	+5.1%
New House	$94,800	$102,600	$92,900
per cent change		−8.2%	+2.0%

Sources: Vanguard Group Inc.; Salomon Brothers; Donoghue's Money Fund Report; Deak-Perera Fifth Avenue, Inc.; Federal Home Loan Bank Board.

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How Executives Get on Boards

DUN'S BUSINESS MONTH

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U.S. Retreats From Free Trade

Presidents' Panel:
CEOs Talk About Takeovers

Payoff from Old Brand Names

The Business News of the Month

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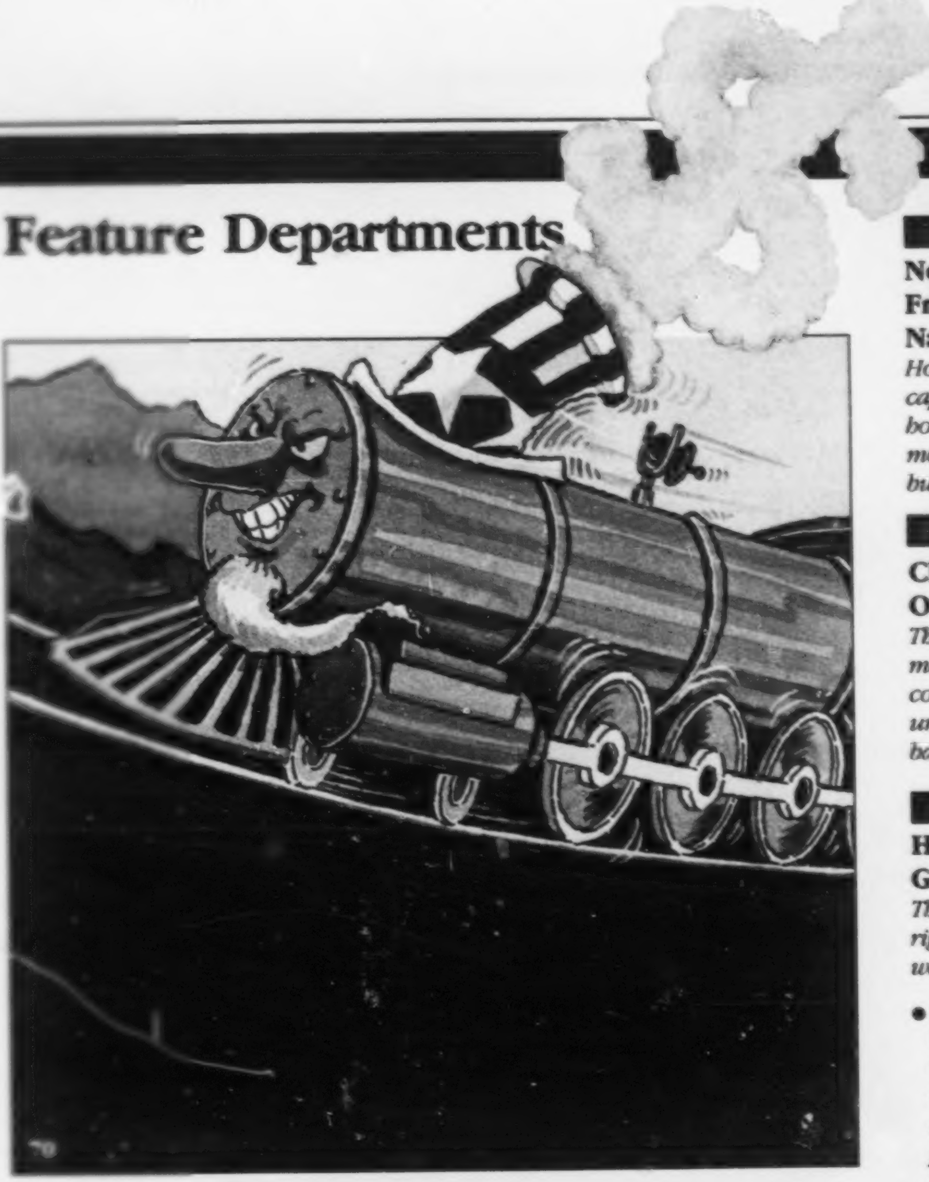

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Falloff in Business Failures

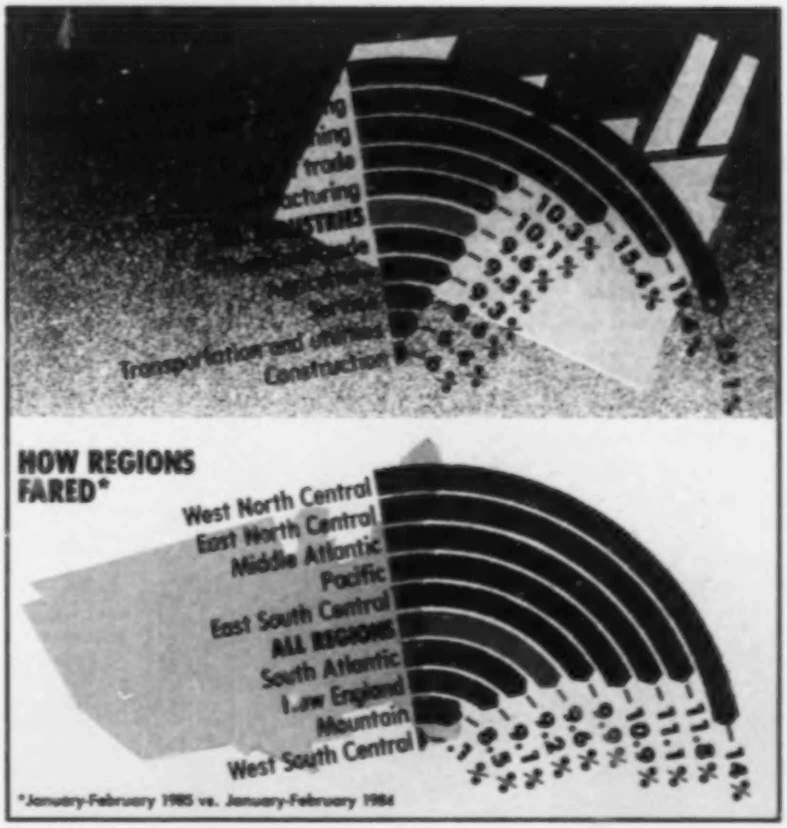
D&B data shows that in early 1985 bankruptcies dropped most in the Snow Belt and in services.

Given the rapidly increasing role of services in the American economy, Dun & Bradstreet has revised the statistical series that reports the characteristics of business failures in the U.S. The previous statistical series primarily reported commercial and industrial failures.

In addition, several new data collection and processing procedures have dramatically increased both the timeliness and detail of the series. D&B will now report the monthly incidence of failures by major industry sector, by U.S. Bureau of the Census region and by size of liabilities. Under the new system, more than 25 Standard Industrial Classification (SIC) categories—mainly services—have been added to the failure coverage.

Business failures in the first two months of 1985 decreased by 9.6% to 7,830 from 8,664 in 1984, according to the first statistics issued on the basis of the new D&B series.

Significant decreases in failures were experienced in virtually all sectors (*see top*). The finance, insurance and real estate sector recorded the largest drop in failures, with a decrease of 25.1%. Failures of non-durable manufacturers also decreased sharply and mining failures fell because of fewer bankruptcies in energy-related businesses.



HOW REGIONS FARED*

*January-February 1985 vs. January-February 1984

Geographically, the West North Central and East North Central states both recorded large decreases in failures as a result of the recoveries of key industries, particularly the auto sector (*see bottom*). The decrease in failures in the New England and South Atlantic states was less dramatic because both regions had led the economic recovery and failures had already declined to more moderate levels by early last year. In contrast, the West South Central states saw virtually no decrease in failures, primarily because of continued stress in the region's petroleum sector last year, especially in Louisiana. —Joseph W. Duncan

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Joseph W. Duncan, formerly Chief Statistician of the Office of Management and Budget and Chairman of the United Nations Statistical Commission, is Corporate Economist of The Dun & Bradstreet Corp.

INVESTMENT UPDATE

Here's the current status of a number of investments, and a look at how they have fared over the past month and the past year.

INVESTMENT	(2/28/85) Recent Price or Yield	Value of $10,000 if Invested: Month Earlier	Value of $10,000 if Invested: Year Earlier
Common Stock (Index fund, capital gains and dividends reinvested)	$21.29/share	$10,138	$12,043
per cent change		+1.4%	+20.4%
Bonds (30-yr., 11¾% Treasury Bond)			
MARKET VALUE		$ 9,442	$10,058
ACCUMULATED INCOME	$ 97.21	$ 95	$ 1,213
TOTAL		$ 9,537	$11,271
per cent change		−4.6%	+12.7%
Money Market Fund	+7.82%	$10,060	$10,986
per cent change		+0.6%	+9.86%
Gold (Krugerrands)	$310.75/oz.	$ 9,749	$ 7,421
per cent change		−2.5%	−25.79%
HOUSE PRICES	**Recent**	**Month Earlier**	**Year Earlier**
Existing House	$86,700	$87,500	$81,800
per cent change		−.92%	+5.7%
New House	$100,100	$94,800	$104,100
per cent change		+5.3%	−4.0%

Sources: Vanguard Group Inc.; Salomon Brothers; Donoghue's Money Fund Report; Deak-Perera Fifth Avenue, Inc.; Federal Home Loan Bank Board.

direct broadcast satellites, Comsat has some promising new business. It reached an agreement with NBC to deliver programming to all of its affiliates through Comsat, and Cooperman expects this contract to produce $400 million in revenues over ten years and profits some time this year.

The company also announced another $400 million, ten-year agreement with Holiday Inns to provide voice, data and video services to its 1,500 lodging units. With other similar deals likely, Cooperman is anticipating a 10% long-term annual growth rate in earnings per share for Comsat and has increased Goldman, Sachs' earnings estimated for this year to $4.35 a share, up from $3.60 a share last year.

He also favors a little-known savings and loan institution, First Federal Savings Bank of California. The company is well-managed, Cooperman says, with 62% of its loan portfolio in higher-quality adjustable rate mortages, and its scheduled loans—that is, loans that are not being paid on time— represent only eight-tenths of 1% of total assets. "We anticipate earnings of $3 a share this year," he says. The stock, which trades on the national over-the-counter market, sells at about 17—"a substantial discount to book value of $30," he adds.

Among Cooperman's other recommendations that fit into his strategy are Eli Lilly, Bankers Trust, United Technologies and Textron.

When will Cooperman (and the rest of us) hear the market's Fat Lady sing again? Perhaps, by summer, he says hopefully, "but not until we see interest rates back off or a major breakthrough on the budget deficit."

—Alan Bromley

New Options with Universal Variable

As if the profusion of insurance policies wasn't confusing enough already, the industry is now singing the praises of its newest option, universal variable life—a hybrid product combining the most popular features of universal and variable policies.

The new policy offers the flexible premium features of universal: policyholders may skip premium payments or make unscheduled, extra payments and increase or lower the death benefit amount. It also offers the investment flexibility of a variable policy: policyholders can move the cash value portion of the policy among various investment options—typically, insurance company-managed stock, bond and money market funds.

The way universal variable works is simple enough: The premium each year is divided into two parts—one pays for a fixed amount of term-like life insurance; and, the second goes into an investment account, which is the basis of the cash value of the policy. The cash value varies with the investment performance. Optimally, the policyholder enjoys the protection of life insurance and defers taxes on the investment income at the same time.

Two companies—Acacia National Life Insurance Co., Washington, D.C. and PruCo Life Insurance Co., a subsidiary of Prudential Insurance Co. of America—are marketing the new policies, and a herd of others have applications awaiting approval at the Securities and Exchange Commission. If the products offered so far are any indication, the new policies are wonderfully flexible and convenient, but these advantages do not come cheap.

As insurance, universal variable, like all forms of permanent cash buildup insurance, is expensive protection compared to the low cost of unvarnished annual-renewable term policies. Typically, term (which pays only death benefits and has no cash buildup) can be bought for about one-fourth the annual premium of permanent policies with the same face value. "If you're simply looking for the most insurance for the dollar," says Carl Wilkerson, assistant general counsel of the American Council of Life Insurance, the industry trade association, "then annual renewable term insurance might be best."

Universal variable, nonetheless, is

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The Railroads Wake Up—At Last

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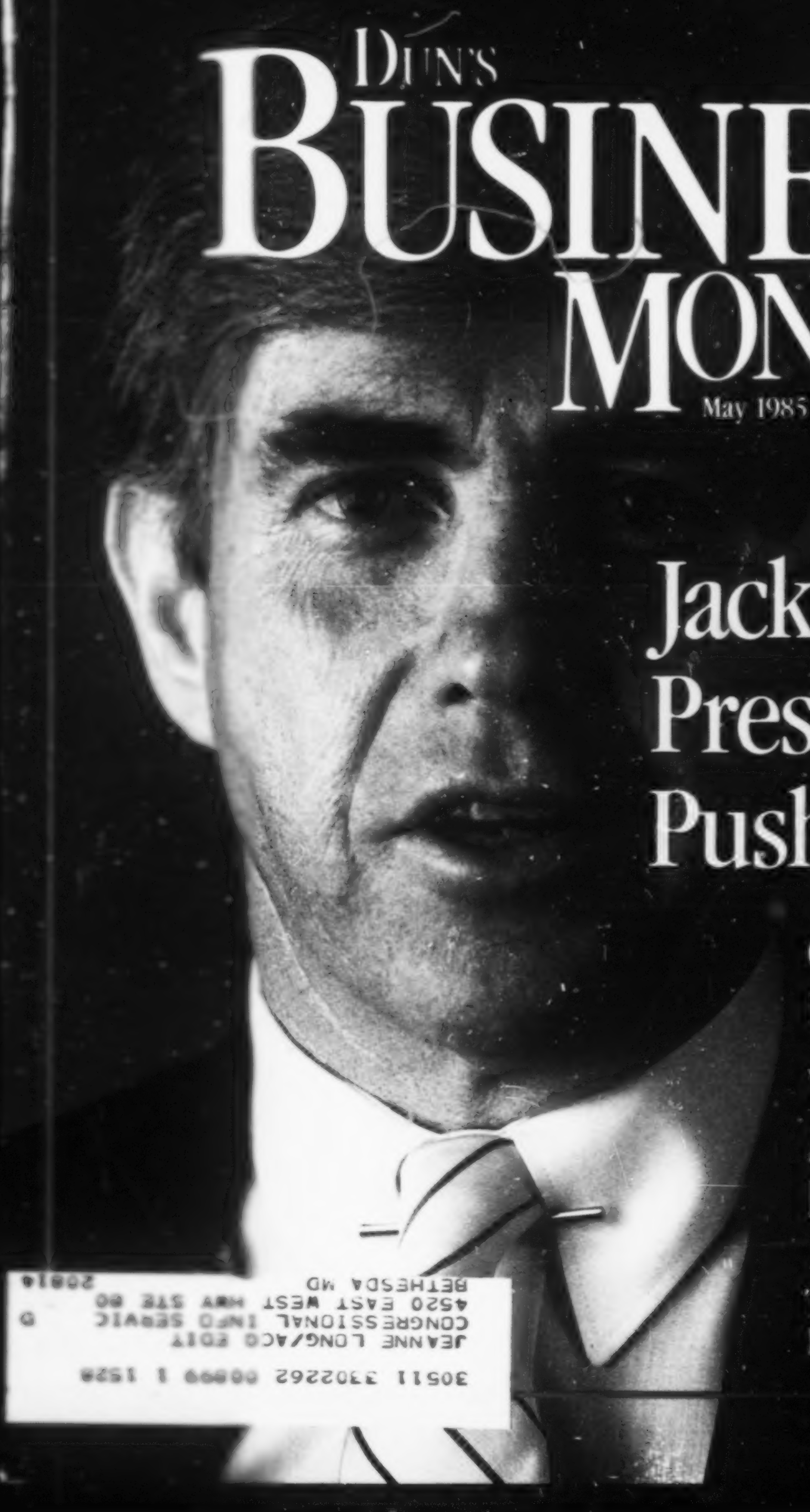

Jack Kemp's Presidential Push

Glass-Steagall Under Siege

Why the Saudis Are Switching Investments

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Here's the current status of a number of investments, and a look at how they have fared over the past month and the past year.

INVESTMENT	(3/29/85) Recent Price or Yield	Value of $10,000 if invested: Month Earlier	Year Earlier
Common Stock (Index fund, capital gains and dividends reinvested)	$21.11/share	$11,850	$10,052
per cent change		+18.5%	+.5%
Bonds (30-yr., 11¾% Treasury Bond)			
MARKET VALUE		$10,206	$10,516
ACCUMULATED INCOME	$ 99.31	$ 100	$ 1,244
TOTAL		$10,306	$11,760
per cent change		+3.0%	+17.6%
Money Market Fund	7.97%	$10,068	$10,978
per cent change		+.7%	+9.8%
Gold (Krugerrands)	$348.75/oz.	$11,500	$ 8,460
per cent change		+15.0%	−15.4%
HOUSE PRICES	Recent	Month Earlier	Year Earlier
Existing House	$86,700	$88,100	$80,100
per cent change		−1.6%	+7.6%
New House	$90,800	$101,800	$94,000
per cent change		−12.1%	−3.5%

Sources: Vanguard Group Inc.; Salomon Brothers; Donoghue's Money Fund Report; Dean-Parera Fifth Avenue, Inc.; Federal Home Loan Bank Board.

Moreover, its construction budget, which is a hefty $1.65 billion this year, will be under $500 million by 1988, he says. With its cash flow improving and the regulatory environment positive, he believes Commonwealth Edison's dividend could grow 5%-to-6% annually, starting next year.

Booth is enthusiastic about the stock market outlook for property/casualty insurers, particularly General Reinsurance, which is experiencing a major turnaround in earnings growth. Reinsurance rates are rising rapidly, he notes, and General Re is the natural beneficiary. "There is a shortage of quality and well-capitalized reinsurance companies due to the industry's bad years, and General Re is the acknowledged leader in its capacity to analyze risks and is financially strong," he says. He expects earnings per share to skyrocket to $4.25 this year, up from $1.60 in 1984, to rise to $5.50 next year and reach $8.50-to-$9 in 1987. Therefore, he favors the stock even at its recent price of around 74.

—ALAN BROMLEY

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U.S. Banks: A lift in Europe

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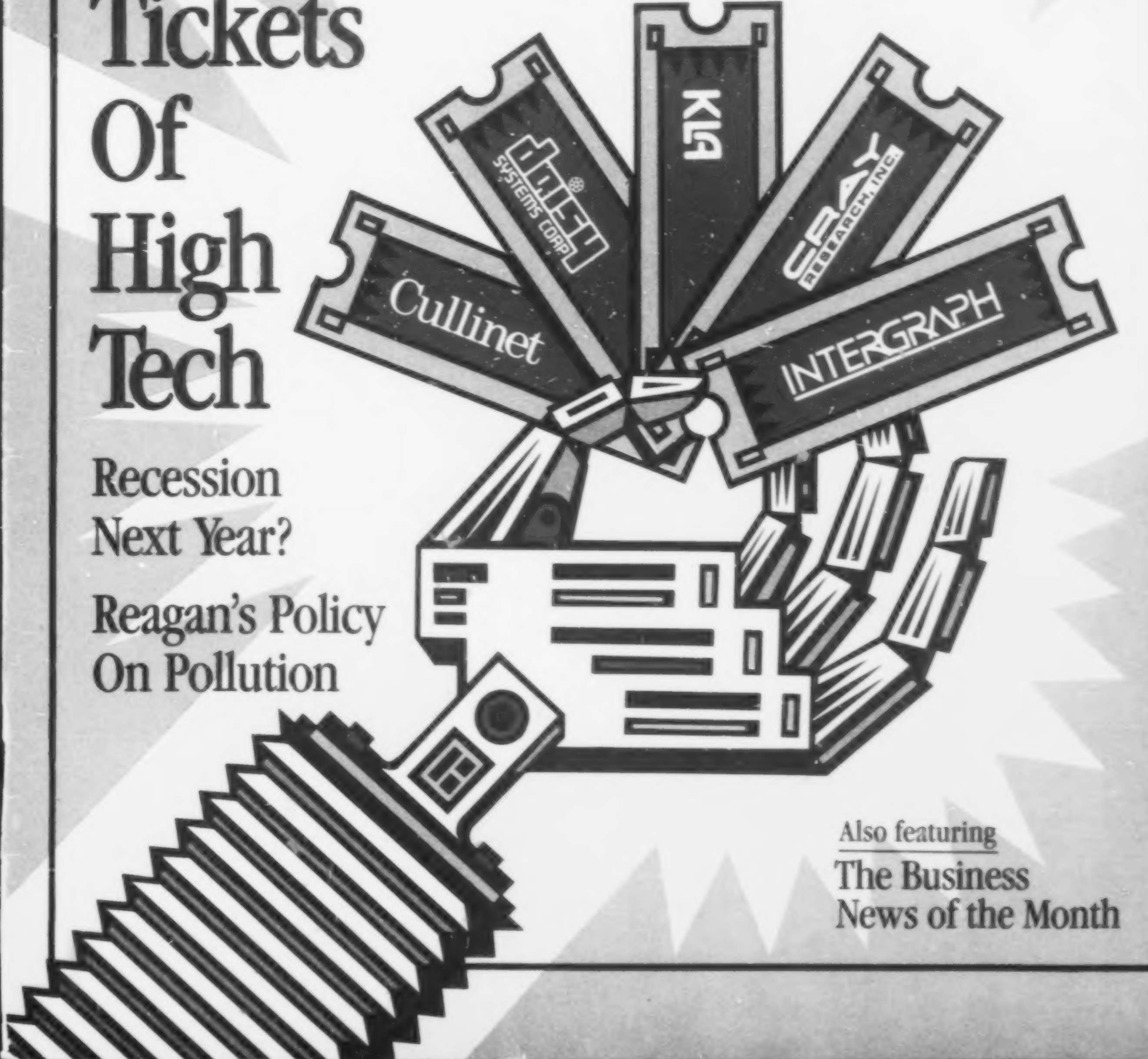
Hot Tickets Of High Tech

Recession Next Year?

Reagan's Policy On Pollution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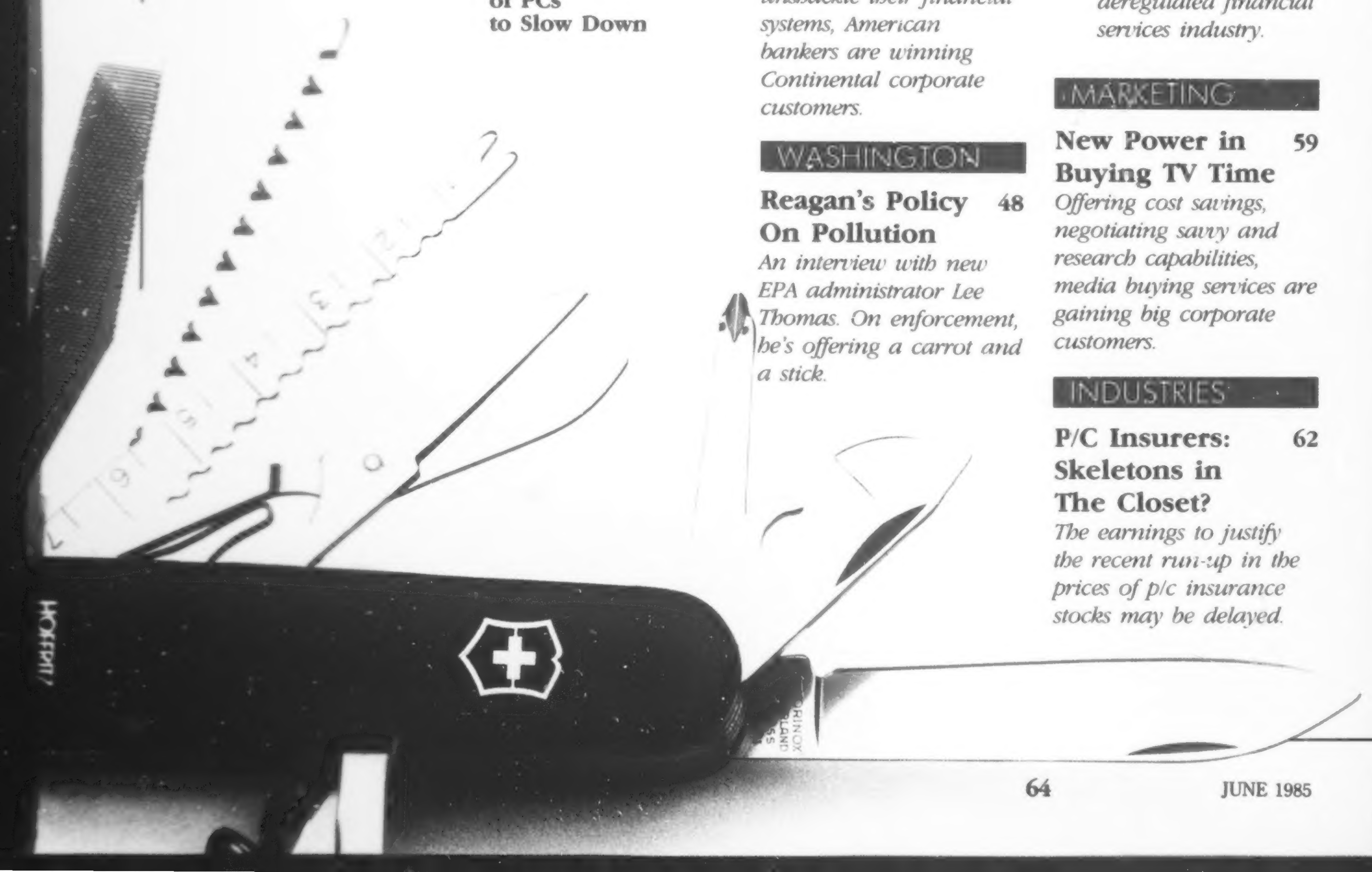

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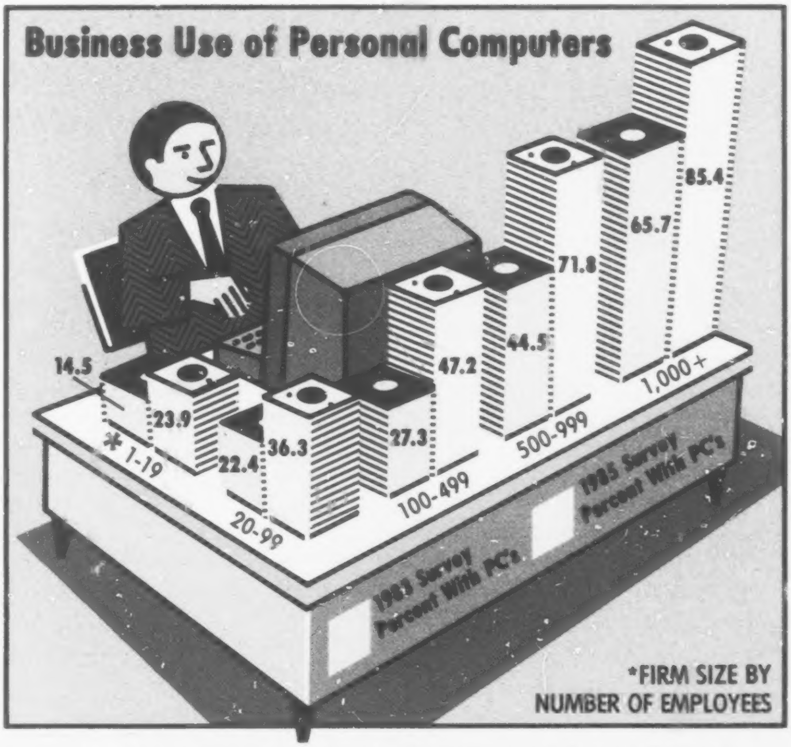
Business Purchases Of PCs to Slow Down

The big potential for new sales is in smaller firms, says a Dun & Bradstreet survey.



While Wall Street worries about the outlook for personal computer sales, the last two years has seen a tremendous surge in business use of PCs, according to the latest Dun's 5000 survey. Indeed, the installation of personal computers has far exceeded the forecast of companies surveyed in 1983. Companies that two years ago forecast that they would increase their ownership of personal computers by an impressive 250% actually turned in an increase of a whopping 600%, according to the latest survey. But this rate of growth is clearly not sustainable.

Personal computer usage has increased sharply in all sizes of companies (*chart*)—but the percentage of larger companies that have bought PCs in the last two years has grown even faster than that of the smaller ones. Nearly a quarter of firms with fewer than twenty employees currently use personal computers, compared with 14.5% in the June 1983 survey. In firms with 1,000 or more employees, usage surged from 65.7% to 85.4%.

The biggest untapped market, therefore, is among the smaller companies, where there is the least saturation (there are, of course, more companies in this category than any other). The survey shows that only 18% of the companies that have not purchased PCs yet plan to do so in the year ahead (compared with 83.2% of firms with PCs that plan to add additional work stations in the future). The challenge facing the vendors is to convince more of the smaller companies that there should be a PC in their future.

Thus, the marketing focus is shifting from expanding usage among large firms, which have been willing to devote considerable energy to learning sophisticated computer functions, to the smaller companies, which demand easy-to-use systems. In order to convert the smaller companies into users, the computer industry will have to provide relatively simple software, which handles many functions and sharply reduces the amount of sophistication required to be an effective user.

The survey also showed that those firms with personal computers have expanded applications beyond word processing to functions such as inventory control, credit analysis, sales contact list maintenance and even production uses. Thus, the outlook for the personal computer industry remains bright, although it is unlikely that the dramatic gains of the past three years will be sustained.—Joseph W. Duncan

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Joseph W. Duncan, formerly Chief Statistician of the Office of Management and Budget and Chairman of the United Nations Statistical Commission, is Corporate Economist of The Dun & Bradstreet Corp.

MURRAY ON WALL STREET

Big Winners in Small Companies

"Even in a listless market, such as we've had recently, picking the stocks of small capitalization companies is a very good way to invest for superior returns," says Arthur E. Nicholas, chairman and chief investment officer of Nicholas-Applegate Capital Management Inc. of San Diego. Nicholas should know. By following this principle, he acquired a reputation as one of the hottest stock pickers in the business.

Specializing in small, aggressive growth companies, he has generated an annual compounded return of 29.9% as an investment manager the past eight years, first at San Diego Trust and Savings Bank, then at Security Pacific National Bank's Pacific Century Group and for the last year at his own firm, which currently manages $200 million in tax-exempt money. He has scored in recent years by getting in early on such winners as The Cannon Group, which makes class B movies, Price Club, the wholesale discounting chain, and Lorimar, the TV production company.

Nicholas believes in staying fully invested in companies with capitalizations ranging from $50 million-to-$500 million, with the emphasis on the smaller end of the scale. Over a fifty-year period, he says, studies show that such stocks have turned in the best performance.

To qualify for Nicholas' portfolio, however, they must be entering a period of "dramatically increasing profits," have little institutional ownership and be capable of exceeding the market averages in investment return. While he prefers to hold on to a stock through a company's growth phase, he will sell earlier if certain red flags pop up. If, say, forecasted earnings fail to materialize or the compelling reason for the original purchase begins to fade.

Nicholas: An annual compounded return of 29.9% by specializing in small companies with dramatically increasing profits

Like an explorer, Nicholas likes to discover unknown or barely noticed stocks before the big boys dive in. His rationale: When the institutions catch on to a stock, they usually move in like a herd and drive up the price—and his returns—to high levels. Thus, his portfolio of about forty stocks is composed of issues with an average institutional ownership of only 12%, he says.

He relies heavily on recommendations from a network of seventy regional brokerage houses around the country to ferret out exceptional prospects. "They know what's going on in their own backyards," Nicholas says. Then, he verifies and analyzes the recommendations by consulting industry analysts and company managers, competitors and suppliers.

In this year's market, Nicholas has uncovered a number of little-known companies in the technology sector, which he believes is reviving nicely. He expects these companies to produce spectacular earnings increases of from 50%-to-100% between this year and next.

Nicholas is particularly impressed with Bridge Communications, Inc., a Mountain View, California, manufacturer of high-performance, local-area network (LAN) systems used to link personal computers in offices. Terming Bridge the "Ferrari" of the fledging field, Nicholas says that it is stealing market share from older competitors and growing very rapidly. He estimates that the company will earn 45 cents a share this year and shoot up to 70 cents in 1986.

Britton Lee, Inc., a Los Gatos, California, producer of relational data base management systems, makes it possible for a user to call up cross-referenced data on a specific subject that may be located in different files in the system. The company has an advanced technology that dramatically increases the memory capacity of mainframe computers, Nicholas says, giving it a strong niche in a fast-growing market. He is anticipating 55 cents per share in earnings this year and 90 cents next year.

Novell, Inc. of Orem, Utah, produces software for local area networks that can be used with many personal computer brands. A spinoff from auto-parts-maker Safeguard Scientific Co. of King of Prussia, Pennsylvania. Novell has won a healthy share of market, says Nicholas, and he has doubled his investment in it. He expects earnings of 35 cents this year and up to 70 cents in 1986.

Another field that Nicholas likes at present is health maintenance organizations, a business that provided handsome returns for his investors early last year. He forecasts accelerated

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INVESTMENT UPDATE

Here's the current status of a number of investments, and a look at how they have fared over the past month and the past year.

INVESTMENT	(4/30/85) Recent Price or Yield	Value of $10,000 if invested: Month Earlier	Year Earlier
Common Stock (Index fund, capital gains and dividends reinvested)	$21.86/share	$ 9,972	$11,730
per cent change		−0.2%	+17.3%
Bonds (30-yr., 11¾% Treasury Bond)			
MARKET VALUE		$11,037	$10,962
ACCUMULATED INCOME	$100.78	$ 1,072	$ 1,278
TOTAL		$12,109	$12,240
per cent change		+21.0%	+22.4%
Money Market Fund	7.97%	$10,068	$10,966
per cent change		+0.7%	+9.7%
Gold (Krugerrands)	$333.00/oz.	$ 9,546	$ 8,362
per cent change		−4.6%	−16.9%
HOUSE PRICES	**Recent**	**Month Earlier**	**Year Earlier**
Existing House	$84,300	$88,500	$80,000
per cent change		−4.9%	+5.1%
New House	$98,600	$91,300	$92,400
per cent change		+7.4%	+6.2%

Sources: Vanguard Group Inc.; Salomon Brothers; Donoghue's Money Fund Report; Deak-Perera Fifth Avenue, Inc.; Federal Home Loan Bank Board.

earnings among a number of HMOs, as a result of their garnering a growing share of health care business. Among his current favorites are: San Francisco's Bay Pacific Health Corp., which he expect to earn 35 cents a share this year and 60 cents in 1986; Reno, Nevada's Sierra Health Services Inc., for which he estimates an earnings increase to $1.20 a share next year from 1985's estimated 80 cents a share; and Chicago's Health Care USA Inc., which he predicts will earn $1.45 in 1986, up from this year's estimate of 85 cents per share.

In addition, Nicholas has an eclectic list of stocks of companies that appeal to him because of the potential of their industry or product line. For example, he considers Davis Water & Waste Industries, Inc., of Thomasville, Georgia, one of the few pure plays involved in rebuilding and rehabilitating the nation's water infrastructure. The company makes a line of sewer pipes, fittings, valves and other construction materials and is expected to earn $1.05 this year and $1.55 a share next.

Another is Westwood One Inc., a packager of radio programs complete with commercials, which is unique in its field. Headed for exceptionally rapid growth, Nicholas says Westwood One should rack up profits of $1.15 a share this year and $1.60 in 1986.

Nicholas also likes the clean balance sheet of Union Federal Savings & Loan Association of Los Angeles. Because he foresees a decline in short-term interest rates, he believes the S&L will earn $2.50 a share next year, double his estimate of $1.25 per share for this year.

—T.J.M.

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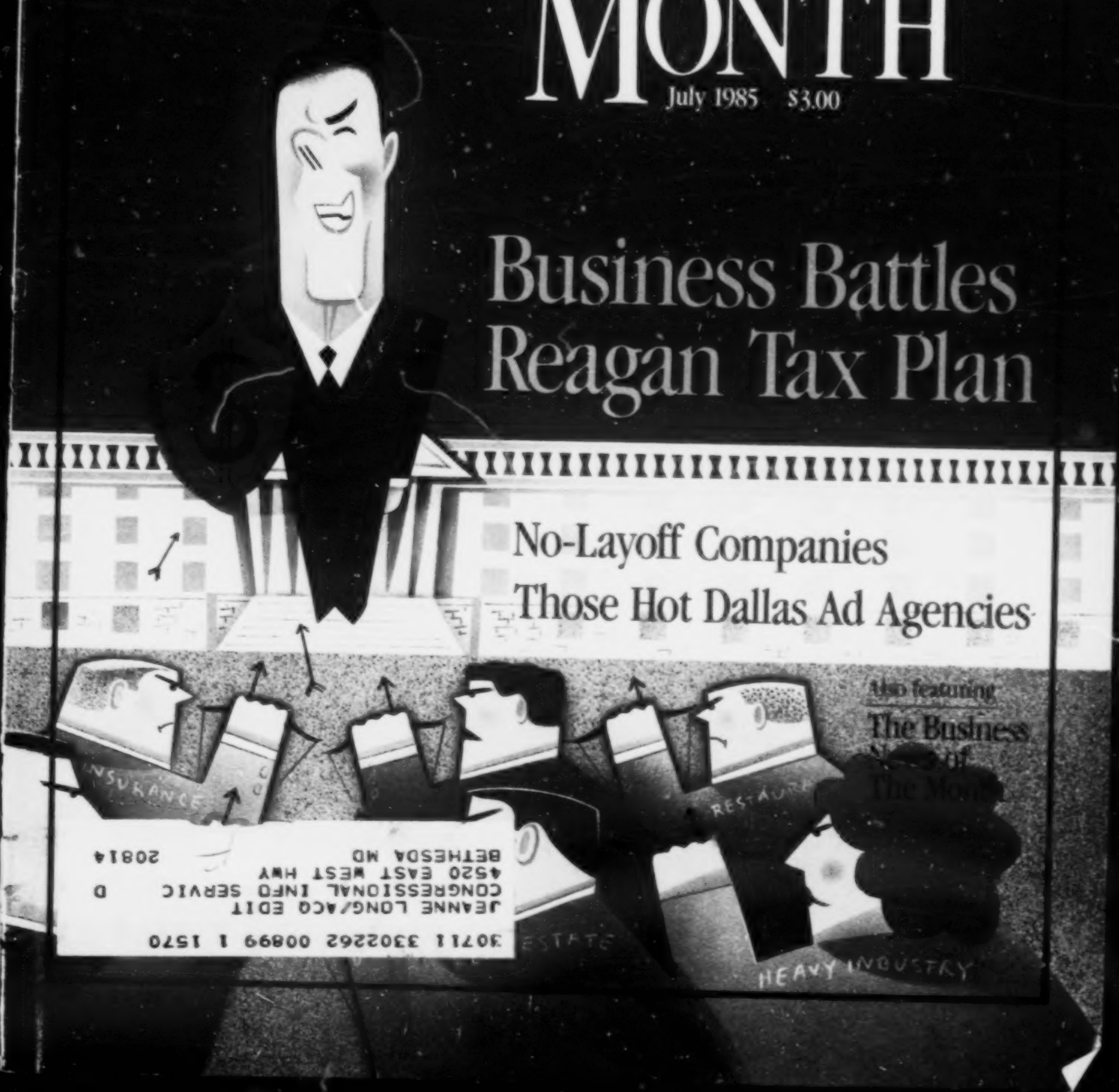
Cash Flow: The Top 200

DUN'S BUSINESS MONTH

July 1985 $3.00

Business Battles Reagan Tax Plan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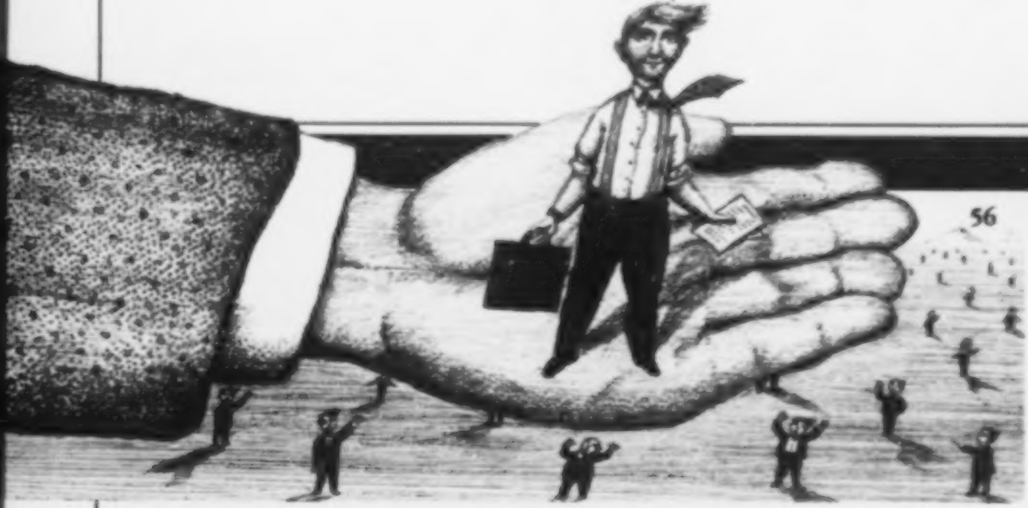

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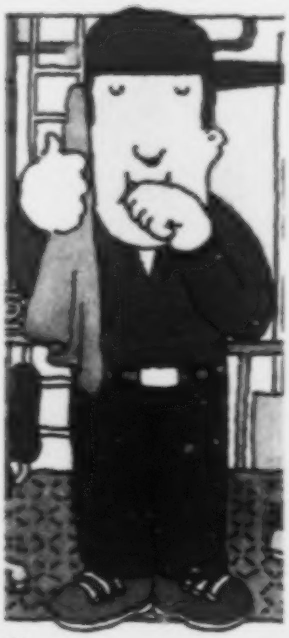

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Federated Group makes shopping fun for customers and profitable for itself. The Los Angeles-based pioneer in electronics warehouse stores raised profits 91% last year.

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Wall Street Zeros In on Cash Flow

It's the new vogue among value hunters. But critics fear this tool is being misused.

by Elizabeth Kaplan

At a critical juncture in the movie "All the President's Men," when the *Washington Post* reporters have stumbled into a cul-de-sac, their mysterious source tries to nudge the pair back onto the trail of the Watergate conspirators. In one of their clandestine garage meetings, "Deep Throat" advises a frustrated Bob Woodward to "Follow the money."

On Wall Street today, it seems that everyone is following the money. Cash flow is the new gospel, and financial analysts, investors and takeover specialists praise its revelatory power. The cash generated by a company's operations is being hailed as a far more reliable barometer of financial health than the more traditional earnings yardstick, which, critics contend, can be skewed by accounting conventions. "Cash flow is a real measure of a company's ability to finance itself and pay its obligations," says John Crosby, a managing director at Merrill Lynch.

Businessmen have always understood that solvency and strength are more a function of cash flow than of reported earnings. Wall Street began to grasp this distinction largely in the wake of numerous leveraged buyouts—the feasibility of which are a function of cash flow projections as well as of the collateral value of assets. The fixation on cash flow was reinforced by the coincident adoption of the accelerated cost recovery system (ACRS) in the 1981 Economic Recovery Tax Act, which unleashed a torrential flow of corporate cash.

Wall Street's enthusiasm seems to vindicate a small group of gadfly analysts who for years have maintained that cash flow measures provide a more penetrating glimpse into a company's financial condition than reported earnings. But the new cash flow cultists have adapted—some would say subverted—the discipline for radically different ends than its pioneers, who generally used the numbers as a critical gloss on sometimes hyperbolic earnings reports. By contrast, Wall Street's new breed of practitioners ex-

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TESKE HARRIS ©85

ploit the discrepancy between strong cash flow and lackluster earnings as the lever for acquisition bids. These takeover specialists, critics claim, are all too eager to mortgage the company's future to accomplish their goals.

The pursuit of cash flow numbers is certainly fraught with danger, accounting professionals and some analysts warn. To begin with, there is little consensus about what the term actually means. "It's a Tower of Babel situation," says Halsey Bullen of the Financial Accounting Standards Board, the accounting profession's rulemaking body. "People are using the same words but not the same definitions." FASB's concern over the lack of comparability among cash flow statements prompted it to launch a study of the issue in the hope of developing some standards for reporting cash flow.

In consultation with a variety of experts, DUN'S BUSINESS MONTH developed its own definitions for Cash Flow from Operations and Discretionary Cash Flow—that is, the cash flow remaining after capital expenditures, debt retirement and dividend payments. A Special Report on corporate cash flow (*see page 44*) ranks the 200 leading cash-flow producers among American nonfinancial corporations for 1984 according to these measures.

The pioneers of cash flow analysis have grave misgivings about Wall Street's appropriation of the discipline. "A fundamentally correct concept is being used for the wrong reason," claims Tom Nourse, who has been practicing his own brand of cash flow analysis for fifteen years, first as a private consultant and, since 1981, as the publisher of the *Nourse Investor Report*. Nourse and a handful of other analysts use cash flow analysis as a stringent litmus test for rose-colored earnings. A huge disparity between a company's cash flow and its earnings often portends disaster. In two classic cases, accounting conventions permitted Penn Central and W. T. Grant to report positive earnings while functionally bankrupt.

Today's takeover specialists, Nourse and other critics contend, are indulging in a very simplistic form of analysis that ignores reinvestment needs. "Properly measured over a period of time, comparative cash flow is a better determinant of a company's true value [than earnings]," Nourse notes. But many of the acquisition targets are "simply milking their business."

"Everyone is a 'value' buyer today," says Jim Chanos, an analyst with Deutsche Capital who gained widespread attention for warning investors of Baldwin United's impending failure. "But they are neglecting to subtract future capital expenditures in calculating cash flow. They're eating into [a company's] capital by treating depreciation as a mere accounting convention."

The dangers of treating depreciation as merely an accounting convention—and not a real economic cost that provides for the eventual replacement of plant and equipment—were exacerbated by ACRS, which allowed companies to take ultrarapid depreciation on capital-intensive assets. By reducing corporate tax bills, ACRS also exaggerated the disparity between cash flow and reported earnings. Indeed, in the first quarter of 1985, cash flow soared at an annual rate of $382.6 billion, from $375.3 billion for the fourth quarter of 1984, while after-tax profits declined modestly from the previous quarter, according to Commerce Department figures.

To a great extent, however, the stock market has not grasped the implications of this discrepancy. Except for a few industries like broadcasting, where companies typically do trade at a multiple of their cash flow, the market has remained obsessed with earnings, and stock prices generally have not acknowledged the increased power contained in the cash flow numbers.

Thus, ACRS inadvertently unleashed a potent weapon for corporate raiders who specialize in leveraging the assets of the target company to finance their attacks—in effect, adapting the techniques of leverage buyouts to hostile bids. When T. Boone Pickens Jr. *et al* talk about liberating "undervalued assets" from the inept hands of entrenched management, they are really exploiting this discrepancy between earnings and cash flow. Whether ACRS helped spur capital investment, as intended, is a matter of debate, but "it certainly stimulated a lot of work for investment bankers," says one Wall Street source.

But "what the government gives, the government can take away," warns Chanos. "Any takeover artist who is betting the company because of the [tax advantages] is making a huge mistake." Indeed, the "subsidies" corporate raiders currently enjoy may prove ephemeral if the current tax reform proposals prevail. Although the repeal of ACRS would not tarnish the analytical tools of cash flow, it might encourage their more sober use. This would certainly please many accountants, who insist that cash flow numbers can be just as fallible as earnings statements. "If you just defer a couple of bills, it can distort cash flow," points out FASB's Bullen. And one should not put too much faith in any single financial barometer. "All summary indicators can be hazardous," warns James Stepp, a partner at Price Waterhouse. ■

Cash Flow: The Top 200

With business slowing down, 1984's economic boom seems a distant memory. The economy expanded at a heady 6.8% pace last year and profits rebounded. Not surprisingly, the Commerce Department reported that corporate cash flow surged 15%. But this advance was not mirrored in the results of DUN'S BUSINESS MONTH's roster of 200 nonfinancial companies ranked by the dollar value of cash flow generated from operations in 1984. The total cash flow of the 200 leaders fell to $171.5 billion in 1984 from $200.7 billion for 1983. The gap of almost $30 billion would not have been nearly so wide if it were not for the exclusion of American Telephone & Telegraph from this year's rankings (neither AT&T nor any of the regional operating companies spun off from it reported all the information needed to calculate their cash flow).

Among nonfinancial companies, Exxon ranked first among the 200 kings of cash flow, with $11.2 billion. This amount is considerably less than the $19.1 billion that AT&T produced in 1983. Exxon, consequently, moved up a notch, as did IBM, General Motors and Ford Motor from their respective positions on last year's list.

Ford Motor Co. was the leader in discretionary cash flow—that is, the amount remaining after dividend payouts, capital spending and debt retirement, with $2.7 billion. The overall decline in corporate cash flow is reflected also in the results of discretionary cash flow. More companies had negative discretionary cash flow—82 in 1984 versus 64 in 1983.

In using cash flow as an indicator of a company's financial well-being, however, it is important to look at its direction for more than a single year, and in conjunction with other key yardsticks. In this listing, DUN'S BUSINESS MONTH includes the following: cash flow generated from operations for 1984, per cent change in cash flow from 1983, net income for 1984 and the per cent change since 1982, discretionary cash flow (cash flow minus capital expenditures, dividends and debt retirement) in 1984 and 1983, return on equity, the debt equity ratio, revenues and cash flow as a per cent of revenues. The data is drawn from 6,400 companies in the Standard & Poor's Compustat data base. Definitions of terms and footnotes are at the end of the tables on page 50.

COMPANY	CASH FLOW		NET INCOME		DISCRETIONARY CASH FLOW		RETURN ON EQUITY	DEBT TO EQUITY	REVENUES	CASH FLOW TO REVENUES
	$Millions	%change vs. '83	$Millions	%change vs. '83	$Millions '84	$Millions '83	%	%	$Millions	%
1. Exxon	11,195	−9.36	5,528	11.05	334	2,087	19.16	0.22	90,854	12.32
2. Int'l. Business Machines	8,322	−25.22	6,582	20.00	−709	3,217	24.85	0.15	45,937	18.12
3. General Motors	8,300	0.23	4,517	21.08	306	2,916	18.80	0.24	83,890	9.89
4. Ford Motor	6,708	34.12	2,907	55.70	2,714	2,662	29.55	0.35	52,366	12.81
5. Atlantic Richfield	4,873	18.67	1,129	−27.06	483	−199	11.38	0.52	23,768	20.50
6. Mobil	4,832	24.18	1,268	−15.64	651	−193	9.31	0.96	56,047	8.62
7. Amoco	4,782	9.27	2,183	16.86	300	455	17.43	0.30	26,949	17.74
8. Shell Oil	3,987	8.55	1,772	8.51	−163	736	14.16	0.33	20,701	19.26
9. Texaco	3,796	19.91	306	−75.18	−133	−794	1.89	0.88	47,334	8.02
10. Du Pont (E.I.)	3,773	−10.87	1,431	26.97	−67	910	11.86	0.37	35,915	10.51
11. Chevron	3,716	−15.66	1,534	−3.52	−106	138	10.39	0.92	26,798	13.87
12. GTE	3,713	17.95	1,080	10.41	−579	−376	14.19	1.13	14,547	25.52
13. Standard Oil	3,512	32.58	1,488	−1.59	416	−587	17.74	0.48	11,692	30.04
14. Chrysler	2,384	35.65	1,496	395.56	981	568	44.01	0.24	19,573	12.18
15. Phillips Petroleum	2,153	−7.68	810	12.34	373	813	12.23	0.73	15,537	13.86
16. Unocal	2,027	20.49	700	11.90	−195	−173	12.30	0.26	10,838	18.70
17. General Electric	2,006	−33.33	2,280	12.65	−1,517	312	18.13	0.14	27,947	7.18
18. Burlington Northern	1,777	103.99	579	40.10	563	23	12.73	0.57	9,156	19.41
19. Sun Co.	1,728	−17.60	538	18.76	−609	479	10.17	0.55	14,466	11.95
20. Reynolds (R.J.)	1,685	5.31	843	0.96	414	298	17.57	0.32	9,915	16.99

COMPANY	CASH FLOW		NET INCOME		DISCRETIONARY CASH FLOW		RETURN ON EQUITY	DEBT TO EQUITY	REVENUES	CASH FLOW TO REVENUES
	$Millions	%change vs. '83	$Millions	%change vs. '83	$Millions '84	$Millions '83	%	%	$Millions	%
21. Dow Chemical	1,641	46.78	549	87.37	443	73	10.85	0.64	11,418	14.37
22. Eastman Kodak	1,565	−14.01	923	63.36	CF	CF	12.93	0.10	10,600	14.76
23. Santa Fe Pacific	1,533	75.85	491	47.21	67	−397	8.51	0.32	6,662	23.02
24. Occidental Petroleum	1,471	−54.38	569	18.42	−15	849	11.93	0.96	15,586	9.43
25. Philip Morris	1,470	−21.99	889	−1.66	489	952	21.71	0.63	10,138	14.50
26. Xerox	1,399	−7.65	376	−19.47	−389	−79	7.98	0.50	8,792	15.91
27. U S Steel	1,380	137.52	414	NM	131	−1,711	6.07	1.14	18,274	7.55
28. Boeing	1,329	−16.31	787	121.69	839	1,209	21.30	0.08	10,354	12.84
29. CSX	1,301	162.25	465	71.21	−140	−355	9.47	0.52	7,934	16.39
30. Procter & Gamble[1]	1,153	−15.96	890	2.77	−212	336	17.52	0.19	12,946	8.91
31. Union Pacific	1,108	−10.69	494	12.02	−165	55	11.68	0.47	7,789	14.23
32. Coca-Cola	1,033	3.46	629	12.64	84	92	22.64	0.49	7,364	14.03
33. Rockwell Intl.[2]	938	20.17	497	27.60	219	163	19.66	0.11	9,322	10.06
34. Litton Industries[3]	930	32.01	277	19.81	600	425	13.60	0.13	4,601	20.21
35. Diamond Shamrock	928	CF	242	NM	93	CF	8.27	0.47	4,483	20.69
36. Monsanto	926	−10.70	439	18.97	106	281	12.08	0.30	6,691	13.84
37. Allied	908	57.64	487	8.22	−352	−335	14.71	0.56	10,734	8.46
38. Minnesota Mining & Mfg.	891	−15.14	733	9.90	−226	94	19.22	0.19	7,705	11.56
39. Union Carbide	887	−10.58	341	331.65	−114	−68	6.93	0.54	9,508	9.33
40. Johnson & Johnson	879	34.14	515	5.21	280	31	17.55	0.15	6,125	14.35
41. Norfolk Southern	876	−6.65	482	35.28	87	328	10.78	0.22	3,525	24.86
42. Goodyear Tire & Rubber	867	17.15	411	52.00	37	115	12.96	0.27	10,241	8.46
43. American Home Products	858	22.10	656	4.56	310	123	31.40	0.02	4,485	19.13
44. General Dynamics	852	37.95	382	33.18	547	346	35.94	0.02	7,839	10.86
45. Caterpillar Tractor	848	74.13	−428	NM	515	20	−15.01	0.65	6,576	12.90
46. Pepsico	827	21.46	207	−27.26	−21	−13	11.26	0.52	7,699	10.74
47. Lilly (Eli)	795	13.12	490	7.17	353	CF	22.07	0.21	3,109	25.57
48. United Telecom.	785	12.07	216	−7.19	−92	−38	12.36	1.17	2,858	27.47
49. Merck	779	−3.72	493	9.34	279	318	19.38	0.23	3,560	21.88
50. Halliburton	755	−37.31	330	4.69	277	759	9.74	0.20	5,428	13.90
51. United Parcel Service	753	−5.38	477	−2.71	−455	396	29.05	0.11	6,833	11.01
52. McDonald's	751	20.77	389	13.56	−28	−15	19.87	0.68	3,366	22.30
53. UAL	737	−8.54	261	83.66	161	−157	14.40	0.72	6,968	10.58
54. Anheuser-Busch	731	−6.18	392	12.50	80	238	20.07	0.38	6,501	11.24
55. AMR	729	5.00	234	2.64	20	54	14.01	0.93	5,354	13.62
56. Dart & Kraft	729	−24.94	456	4.76	231	525	17.54	0.32	9,759	7.47
57. Westinghouse Electric	703	38.92	536	19.35	−151	−395	14.41	0.45	10,265	6.85
58. SmithKline Beckman	701	−1.91	500	2.94	CF	CF	24.18	0.11	2,949	23.78
59. Int'l. Paper	701	86.88	120	−52.88	−108	−543	2.84	0.30	4,716	14.86
60. Delta Air Lines[1]	692	204.99	176	NM	177	−689	16.74	0.80	4,264	16.23
61. Hewlett-Packard[4]	690	20.63	665	53.94	−36	54	18.76	0.08	6,044	11.42
62. Southland	686	NM	160	21.62	162	−662	13.40	0.84	11,661	5.88
63. United Technologies	682	−35.38	645	26.68	−368	167	16.24	0.40	16,332	4.18
64. Aluminum Co. of America	680	−8.62	256	55.62	−67	196	7.73	0.49	5,751	11.82
65. Pennzoil	675	12.27	214	30.03	171	119	20.37	0.88	2,349	28.72
66. Pfizer	672	2.77	508	13.60	289	172	20.73	0.26	3,855	17.42
67. Georgia-Pacific	649	43.27	253	140.95	−178	56	11.47	0.69	6,682	9.71
68. Honeywell	647	−1.90	335	44.81	113	144	14.06	0.32	6,074	10.65
69. General Foods[5]	638	−12.17	317	9.91	131	280	15.54	0.47	8,600	7.42
70. Continental Telecom	632	14.64	196	13.65	−107	−184	14.92	1.36	2,319	27.26
71. Lockheed	622	60.51	344	30.94	241	80	29.74	0.37	8,113	7.66
72. Warner Communications	622	NM	13	NM	548	−508	2.30	2.49	2,024	30.72
73. Weyerhaeuser	617	20.84	226	10.42	−56	−101	6.24	0.44	5,550	11.12
74. Amerada Hess	613	−29.57	170	−16.99	−628	−198	6.63	0.92	8,277	7.40
75. Greyhound	609	257.37	125	77.89	434	15	10.85	0.20	2,201	27.65
76. Texas Instruments	594	79.98	316	NM	−160	−172	20.51	0.28	5,742	10.35
77. American Brands	570	41.32	414	6.10	179	47	18.74	0.50	4,475	12.74
78. Abbott Laboratories	562	28.03	403	15.81	94	9	25.12	0.46	3,104	18.09
79. Time	555	20.21	216	51.09	167	58	21.03	0.39	3,067	18.09
80. Hospital Corp. of America	549	15.59	297	22.01	−96	−281	15.87	1.04	3,499	15.68

COMPANY	CASH FLOW		NET INCOME		DISCRETIONARY CASH FLOW		RETURN ON EQUITY	DEBT TO EQUITY	REVENUES	CASH FLOW TO REVENUES
	$Millions	%change vs. '83	$Millions	%change vs. '83	$Millions '84	$Millions '83	%	%	$Millions	%
81. NCR	543	−26.01	343	19.11	133	335	16.51	0.18	4,074	13.34
82. RCA	526	−45.18	246	2.33	−683	−1,007	8.49	0.86	10,112	5.21
83. Kerr-McGee	513	−15.90	65	−45.11	−34	−1	3.74	0.51	3,537	14.52
84. MCI Communications	513	24.40	59	−61.97	−693	−525	4.94	1.57	1,959	26.20
85. MCA	510	−8.56	96	−35.49	−284	−210	7.77	0.09	1,651	30.86
86. Ryder System	507	15.93	118	16.29	−525	−172	15.34	1.48	2,486	20.41
87. Nabisco Brands	489	−12.08	309	−4.25	−89	128	20.02	0.48	6,253	7.81
88. Bristol-Myers	484	−9.63	472	15.78	75	224	21.99	0.13	4,189	11.56
89. PPG Industries	467	24.54	303	30.15	CF	CF	15.02	0.33	4,242	11.02
90. American Broadcasting	460	231.60	195	22.21	236	−54	14.44	0.12	3,703	12.43
91. Sperry[5]	457	−7.61	200	69.35	10	−39	7.14	0.31	4,914	9.29
92. General Mills[3]	456	10.80	233	−4.77	60	−10	19.06	0.55	5,601	8.13
93. Kroger	451	18.61	157	23.26	31	−148	13.63	0.73	15,923	2.83
94. ITT	450	−48.92	303	−55.15	−701	−526	5.21	0.61	12,701	3.54
95. Armco	448	84.61	−136	NM	250	33	−15.22	0.93	4,543	9.85
96. Borden	442	3.31	191	1.24	194	175	13.99	0.49	4,568	9.68
97. FMC	440	−12.99	226	33.82	173	236	23.42	0.35	3,338	13.19
98. Motorola	440	−25.83	387	58.61	−499	45	16.99	0.28	5,534	7.95
99. Safeway Stores	440	−7.65	185	0.93	−423	−205	12.59	1.04	19,642	2.24
100. Williams	440	94.06	145	167.59	58	−111	11.25	1.56	3,389	12.97
101. Burroughs	427	−50.28	245	24.38	−277	139	10.66	0.42	4,808	8.87
102. Louisiana Land & Expl.	404	20.78	114	21.38	122	23	19.33	0.75	1,259	32.09
103. Grace (W.R.)	398	−20.00	196	22.48	−200	−67	8.91	0.78	6,728	5.92
104. Signal	397	−65.83	301	164.04	69	848	10.88	0.20	5,920	6.71
105. Centel	396	26.30	123	8.96	77	−19	15.56	1.01	1,375	28.84
106. Eastern Air Lines	395	196.70	−38	NM	−100	−731	−48.52	7.78	4,364	9.06
107. Pillsbury[6]	388	75.83	170	22.25	14	−126	16.23	0.39	4,172	9.31
108. Union Camp	384	60.98	181	36.70	−32	−291	14.05	0.53	1,974	19.45
109. Holiday	374	18.56	131	5.29	26	−16	12.78	0.87	1,760	21.23
110. CBS	372	4.65	245	30.82	170	165	15.77	0.25	4,831	7.70
111. Ralston Purina[2]	371	−18.21	243	−5.20	113	214	24.33	0.36	4,980	7.45
112. Owens-Illinois	369	43.95	136	96.53	10	−15	9.50	0.49	3,510	10.51
113. Leaseway Transportation	365	10.48	42	13.56	−172	−36	13.97	1.56	1,348	27.05
114. Warner-Lambert	364	2.65	224	11.67	63	63	15.62	0.47	3,167	11.49
115. Raytheon	364	−27.80	340	13.31	−177	79	17.18	0.06	5,996	6.06
116. Air Products & Chemicals[2]	362	22.66	141	29.05	16	−62	12.57	0.45	1,735	20.86
117. Ashland Oil[2]	361	38.31	−172	NM	−29	−199	−24.30	0.62	8,253	4.37
118. Mead	360	123.76	139	364.33	120	29	14.33	0.60	2,720	13.23
119. CPC International	355	2.66	193	42.00	−75	6	14.60	0.43	4,373	8.11
120. Gannett	354	50.10	224	16.84	129	11	19.61	0.17	1,960	18.06
121. Martin Marietta	350	−35.98	176	24.54	73	273	32.24	0.72	3,920	8.92
122. Dun & Bradstreet	346	94.49	253	77.92	56	19	20.62	0.01	2,397	14.41
123. Heinz (H.J.)[7]	344	−21.85	238	10.87	110	240	21.20	0.40	3,954	8.71
124. American Cyanamid	344	−3.32	216	29.79	46	97	12.94	0.45	3,857	8.91
125. Boise Cascade	340	73.83	70	15.29	−226	−42	4.51	0.80	3,817	8.92
126. Grumman	338	19.33	108	−2.10	146	116	16.96	0.42	2,558	13.20
127. Sharon Steel	336	NM	−145	NM	205	−62	NM	NM	898	37.45
128. Freeport McMoran	335	6.01	94	0.73	102	41	13.62	1.03	842	39.76
129. Kellogg	332	−4.49	251	3.21	−22	65	51.42	1.45	2,602	12.74
130. Gulf & Western Inds.[2]	331	−51.47	283	1.14	58	422	14.29	0.53	4,182	7.91
131. Murphy Oil	331	−13.71	118	−10.82	−49	−76	11.69	0.36	2,169	15.24
132. Borg-Warner	330	−21.00	206	12.87	14	175	12.92	0.20	3,916	8.42
133. Times Mirror	329	−15.06	233	16.60	−93	59	18.30	0.46	2,771	11.86
134. American Stores[3]	324	73.04	186	57.36	−29	12	25.38	1.37	12,119	2.67
135. Kimberly-Clark	323	−14.55	218	15.20	−191	−89	13.83	0.44	3,616	8.93

COMPANY	CASH FLOW		NET INCOME		DISCRETIONARY CASH FLOW		RETURN ON EQUITY	DEBT TO EQUITY	REVENUES	CASH FLOW TO REVENUES
	$Millions	%change vs. '83	$Millions	%change vs. '83	$Millions '84	$Millions '83	%	%	$Millions	%
136. Schering-Plough	323	30.90	177	−0.73	−15	−23	13.44	0.61	1,874	17.22
137. IC Industries	315	13.73	133	40.32	−9	12	7.86	1.05	4,234	744
138. NWA	315	38.11	87	73.48	−49	−24	9.95	0.13	2,445	12.86
139. USAIR	308	57.36	122	50.84	−51	−219	17.00	0.58	1,630	18.91
140. Trans World Airlines	305	301.54	30	NM	53	−345	1.06	1.79	3,657	8.34
141. Dresser Industries[4]	305	0.23	97	NM	103	96	5.13	0.30	3,732	8.16
142. Northwest Industries	304	40.44	82	NM	83	11	14.01	0.76	1,432	21.24
143. Marriott	304	−10.90	135	17.36	−310	−130	20.02	1.71	3,525	8.62
144. Penney (J.C.)[3]	298	2.05	435	−6.85	−382	−411	11.42	0.55	13,451	2.22
145. Humana[3]	297	31.22	193	20.35	−260	−379	25.44	1.80	1,961	15.13
146. Gillette	297	5.49	159	9.20	72	84	20.14	0.83	2,289	12.97
147. Baker International[2]	293	25.79	71	NM	124	37	6.96	0.47	1,834	16.00
148. Masco	292	108.36	116	8.75	219	54	15.14	0.53	1,020	28.67
149. Waste Management	289	59.32	143	18.32	−58	−70	16.09	0.61	1,315	22.01
150. Westvaco[4]	289	61.50	130	107.00	−68	−50	13.88	0.47	1,766	16.38
151. Penn Central	288	−37.97	170	762.94	100	260	8.65	0.20	2,569	11.20
152. Coastal	285	−24.64	102	6.56	64	145	16.89	2.04	6,260	4.55
153. Federated Dept. Stores[3]	284	−33.40	328	−2.66	−297	2	12.95	0.40	9,672	2.94
154. Dana	281	88.48	191	75.39	119	11	15.64	0.32	3,575	7.85
155. Farmers Group	277	24.34	186	34.99	179	120	17.69	0.00	894	30.94
156. Woolworth (F.W.)[3]	273	50.00	141	19.49	13	−11	13.35	0.40	5,737	4.76
157. Southern New Eng. Tel.	272	−21.34	125	3.32	−47	89	13.28	0.60	1,332	20.40
158. Cooper Industries Inc	268	16.01	107	50.16	109	52	7.37	0.14	2,028	13.23
159. Dayton-Hudson[3]	268	−17.47	259	6.64	−166	−80	14.94	0.44	8,009	3.34
160. Baxter Travenol Labs.	268	−10.16	29	−86.68	29	21	2.62	0.50	1,800	14.86
161. Great Northern Nekoosa	267	43.37	120	42.74	−16	−244	12.24	0.51	1,873	14.26
162. Tribune Co.	264	NA	103	48.76	83	NA	12.45	0.30	1,794	14.69
163. Int'l. Minerals & Chemical[1]	260	−13.77	112	39.13	51	89	10.84	0.41	1,533	16.99
164. Cabot[2]	255	67.95	97	51.29	94	30	13.48	0.51	1,752	14.55
165. Gould	255	2.45	89	12.75	58	26	10.45	0.34	1,399	18.21
166. Ocean Drilling & Expl.	252	−2.19	119	−0.58	19	−53	14.06	0.26	699	36.08
167. Upjohn	251	123.09	173	8.14	33	−153	15.28	0.51	2,188	11.47
168. Cummins Engine	249	36.14	188	NM	114	81	28.95	0.41	2,326	10.71
169. Scott Paper	248	−10.11	187	51.21	−158	−120	11.78	0.62	2,847	8.72
170. USG	247	54.45	187	132.26	71	57	21.62	0.35	2,319	10.67
171. AMP	244	31.54	201	23.39	−86	−4	21.80	0.22	1,813	13.44
172. Tandy[1]	243	73.10	282	1.20	184	61	28.51	0.40	2,737	8.89
173. American Hospital Supply	243	4.42	238	12.22	−3	27	15.88	0.27	3,440	7.05
174. Celanese	241	−42.76	161	43.75	−46	202	15.54	0.68	3,328	7.24
175. Teledyne	241	−15.50	574	88.54	154	180	49.54	0.93	3,494	6.89
176. TRW	240	−61.66	267	30.07	−333	187	15.03	0.24	6,062	3.97
177. Eaton	238	−7.42	254	172.64	63	131	21.08	0.40	3,510	6.78
178. Federal Express[5]	238	16.38	115	29.79	−423	−31	15.98	0.63	1,436	16.54
179. Avon Products	237	−15.67	182	10.52	−72	1	15.65	0.46	3,141	7.55
180. Sara Lee[1]	237	−49.98	188	10.04	−87	171	19.23	0.48	7,000	3.39
181. Firestone Tire & Rubber[4]	237	47.20	63	−37.00	−132	−113	5.10	0.28	4,001	5.92
182. Intel	237	0.79	198	70.69	−152	90	14.57	0.16	1,629	14.53
183. Fort Howard Paper	234	862.16	133	24.39	9	−122	15.81	0.19	1,339	17.51
184. Walter (Jim)[3]	233	NM	97	37.44	59	−169	11.85	1.34	2,258	10.32
185. Melville	233	−3.38	190	8.01	27	78	19.93	0.13	4,423	5.26
186. Rohm & Haas	232	−27.36	172	25.16	37	198	17.84	0.32	2,042	11.38
187. Quaker Oats[1]	231	7.71	139	16.26	50	31	18.72	0.55	3,344	6.89
188. Bethlehem Steel	227	77.52	−132	NM	−142	−183	−16.55	1.10	5,392	4.22
189. May Dept. Stores[3]	227	−16.64	214	14.49	−86	4	16.59	0.44	4,762	4.76
190. Deere[4]	224	−36.09	105	350.69	19	174	4.58	0.76	4,399	5.09

COMPANY	CASH FLOW		NET INCOME		DISCRETIONARY CASH FLOW		RETURN ON EQUITY	DEBT TO EQUITY	REVENUES	CASH FLOW TO REVENUES
	$Millions	%change vs. '83	$Millions	%change vs. '83	$Millions '84	$Millions '83	%	%	$Millions	%
191. Northrop	**222**	−21.49	**167**	65.74	**−167**	**−40**	23.03	0.07	3,688	**6.02**
192. Donnelley (R.R.)	**218**	−8.25	**134**	17.00	**CF**	**CF**	16.77	0.05	1,814	**12.01**
193. Owens-Corning Fiberglas	**218**	−2.62	**114**	42.82	**38**	**68**	13.53	0.30	3,021	**7.21**
194. American Medical Int'l.[9]	**218**	7.42	**137**	35.03	**−184**	**−89**	18.22	1.49	1,964	**11.08**
195. Olin	**216**	−26.32	**89**	23.75	**3**	**127**	10.23	0.48	2,065	**10.46**
196. Knight-Ridder Newspapers	**215**	7.94	**141**	17.90	**62**	**69**	15.28	0.09	1,665	**12.94**
197. Becton, Dickinson[2]	**213**	16.78	**63**	76.46	**99**	**63**	10.60	0.41	1,127	**18.93**
198. Colgate-Palmolive	**210**	−16.01	**54**	−72.91	**−164**	**−54**	4.35	0.34	4,910	**4.29**
199. Emerson Electric[2]	**209**	−52.61	**349**	15.28	**−126**	**140**	18.68	0.18	4,179	**5.01**
200. Corning Glass Works	**209**	6.54	**89**	−3.58	**CF**	**CF**	8.33	0.32	1,733	**12.03**

AMP	171	Coastal	152	Goodyear Tire & Rubber	42	Merck	49	Sharon Steel	127
AMR	55	Coca-Cola	32	Gould	165	Minnesota Mining & Mfg.	38	Shell Oil	8
Abbott Laboratories	78	Colgate-Palmolive	198	Grace (W.R.)	103	Mobil	6	Signal	104
Air Products & Chemicals	116	Continental Telecom	70	Great Northern Nekoosa	161	Monsanto	36	SmithKline Beckman	58
Allied	37	Cooper Industries	158	Greyhound	75	Motorola	98	Southern New Eng. Tel	157
Aluminum Co. of America	64	Corning Glass Works	200	Grumman	126	Murphy Oil	131	Southland	62
Amerada Hess	74	Cummins Engine	168	Gulf & Western	130	NCR	81	Sperry	91
American Brands	77	Dana	154	Halliburton	50	NWA	138	Standard Oil	13
American Broadcasting	90	Dart & Kraft	56	Heinz (H.J.)	123	Nabisco Brands	87	Sun Co.	19
American Cyanamid	124	Dayton-Hudson	159	Hewlett-Packard	61	Norfolk Southern	41	TRW	176
American Home Products	43	Deere	190	Holiday	109	Northrop	191	Tandy	172
American Hospital Supply	173	Delta Air Lines	60	Honeywell	68	Northwest Industries	142	Teledyne	175
American Medical Intl.	194	Diamond Shamrock	35	Hospital Corp. of America	80	Occidental Petroleum	24	Texaco	9
American Stores	134	Donnelley (R.R.)	192	Humana	145	Ocean Drilling & Expl.	166	Texas Instruments	76
Amoco	7	Dow Chemical	21	IC Industries	137	Olin	195	Time	79
Anheuser-Busch	54	Dresser Industries	141	ITT	94	Owens-Corning Fiberglas	193	Times Mirror	133
ARMCO	95	Du Pont (E.I.)	10	Intel	182	Owens-Illinois	112	Trans World Airlines	140
Ashland Oil	117	Dun & Bradstreet	122	Int'l. Business Machines	2	PPG Industries	89	Tribune	162
Atlantic Richfield	5	Eastern Air Lines	106	Int'l. Minerals & Chemical	163	Penn Central	151	UAL	53
Avon Products	179	Eastman Kodak	22	Int'l. Paper	59	Penney (J.C.)	144	USG	170
Baker Int'l.	147	Eaton	177	Johnson & Johnson	40	Pennzoil	65	Union Camp	108
Baxter Travenol Labs.	160	Emerson Electric	199	Kellogg	129	Pepsico	46	Union Carbide	39
Becton, Dickinson	197	Exxon	1	Kerr-McGee	83	Pfizer	66	Union Pacific	31
Bethlehem Steel	188	FMC	97	Kimberly-Clark	135	Philip Morris	25	United Parcel Service	51
Boeing	28	Farmers Group	155	Knight-Ridder Newspapers	196	Phillips Petroleum	15	USAIR	139
Boise Cascade	125	Federal Express	178	Kroger	93	Pillsbury	107	U S Steel	27
Borden	96	Federated Dept Stores	153	Leaseway Transportation	113	Procter & Gamble	30	United Technologies	63
Borg-Warner	132	Firestone Tire & Rubber	181	Lilly (Eli)	47	Quaker Oats	187	United Telecom.	48
Bristol-Myers	88	Ford Motor	4	Litton Industries	34	RCA	82	Unocal	16
Burlington Northern	18	Fort Howard Paper	183	Lockheed	71	Ralston Purina	111	Upjohn	167
Burroughs	101	Freeport McMoran	128	Louisiana Land & Expl.	102	Raytheon	115	Walter (Jim)	184
CBS	110	GTE	12	MCA	85	Reynolds (R.J.)	20	Warner Communications	72
CPC International	119	Gannett	120	MCI Communications	84	Rockwell International	33	Warner-Lambert	114
CSX	29	General Dynamics	44	Marriott	143	Rohm & Haas	186	Waste Management	149
Cabot	164	General Electric	17	Martin Marietta	121	Ryder System	86	Westinghouse Electric	57
Caterpillar Tractor	45	General Foods	69	Masco	148	Safeway Stores	99	Westvaco	150
Celanese	174	General Mills	92	May Dept. Stores	189	Santa Fe Pacific	23	Weyerhaeuser	73
Centel	105	General Motors	3	McDonald's	52	Sara Lee	180	Williams	100
Chevron	11	Georgia-Pacific	67	Mead	118	Schering-Plough	136	Woolworth (F.W.)	156
Chrysler	14	Gillette	146	Melville	185	Scott Paper	169	Xerox	26

Definitions:

Cash flow from operations was derived from the following formula: net income (not including extraordinary items) adjusted to remove expenses not requiring cash (depreciation and deferred taxes) and income not generating cash (unremitted earnings from unconsolidated subsidiaries) and also adjusted for changes from the prior year in current receivables, other current assets other than cash and cash equivalents, current accounts payable, income taxes payable and other current liabilities other than notes payable and debt due within one year.

Percentage change in cash flow from operations is current cash flow divided by the prior year cash flow.

Discretionary cash flow from operations is cash flow from operations minus capital expenditures, total dividends and debt due in one year as reported in prior year's statement.

Return on common equity is net income available for common shareholders divided by common equity—that is, common stock plus capital surplus and retained earnings.

Debt as a percentage of equity is the ratio of total debt to total equity. It is calculated by taking long-term debt plus the portion of long term debt due in one year plus notes payable and dividing the total by total shareholder equity (preferred stock plus common stock, capital surplus and retained earnings).

Abbreviations:

cf: combined figure (calculation cannot be done because the company did not report individual items). *nm:* not meaningful (equation contains one or more negative numbers). *nr:* not reported (item required to do calculation was not reported).

Footnotes:

1. Fiscal year ended June 30, 1984. 2. Fiscal year ended September 30, 1984. 3. Fiscal year ended July 31, 1984. 4. Fiscal year ended October 31, 1984. 5. Fiscal year ended March 31, 1984. 6. Fiscal year ended May 31, 1984. 7. Fiscal year ended April 30, 1984. 8. Fiscal year ended January 31, 1985. 9. Fiscal year ended August 31, 1984.

Source:

The study is drawn from the Standard & Poor's Compustat data base of 6,400 companies from which were eliminated financial companies (savings and loans, banks, insurance companies, securities firms and finance companies); companies with more than 50% of profits from finance subsidiaries of domestic companies and regulated gas and electric utilities.

SOMEONE
YOU
KNOW
HAS A RARE DISORDER

- That may be fatal or disabling
- That many doctors don't recognize
- That may have no cure or treatment
- That is one of 5000 disorders with a total of 20 million victims

NORD is a coalition of non-profit agencies, researchers, and individuals that helps by providing information and promoting research. Your membership helps.

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INVESTMENT UPDATE

Here's the current status of a number of investments, and a look at how they have fared over the past month and the past year.

INVESTMENT	(5/31/85) Recent Price or Yield	Value of $10,000 if invested: Month Earlier	Year Earlier
Common Stock	$22.32 share	$10,603	$13,150
(Index fund, capital gains and dividends reinvested)			
per cent change		+6.0%	+31.5%
Bonds			
(30-yr., 11¾% Treasury Bond)			
MARKET VALUE		$10,117	$12,636
ACCUMULATED INCOME	$109.06	$ 97	$ 1,361
TOTAL		$10,214	$13,997
per cent change		+2.1%	+39.9%
Money Market Fund	+7.71%	$10,065	$10,949
per cent change		+.65%	+9.5%
Gold	$334.50/oz.	$10,045	$ 8,178
(Krugerrands)			
per cent change		+.45%	−18.2%
HOUSE PRICES	Recent	Month Earlier	Year Earlier
Existing House	$83,900	$85,200	$84,400
per cent change		−1.5%	−.6%
New House	$108,400	$101,400	$93,900
per cent change		+6.5%	+13.8%

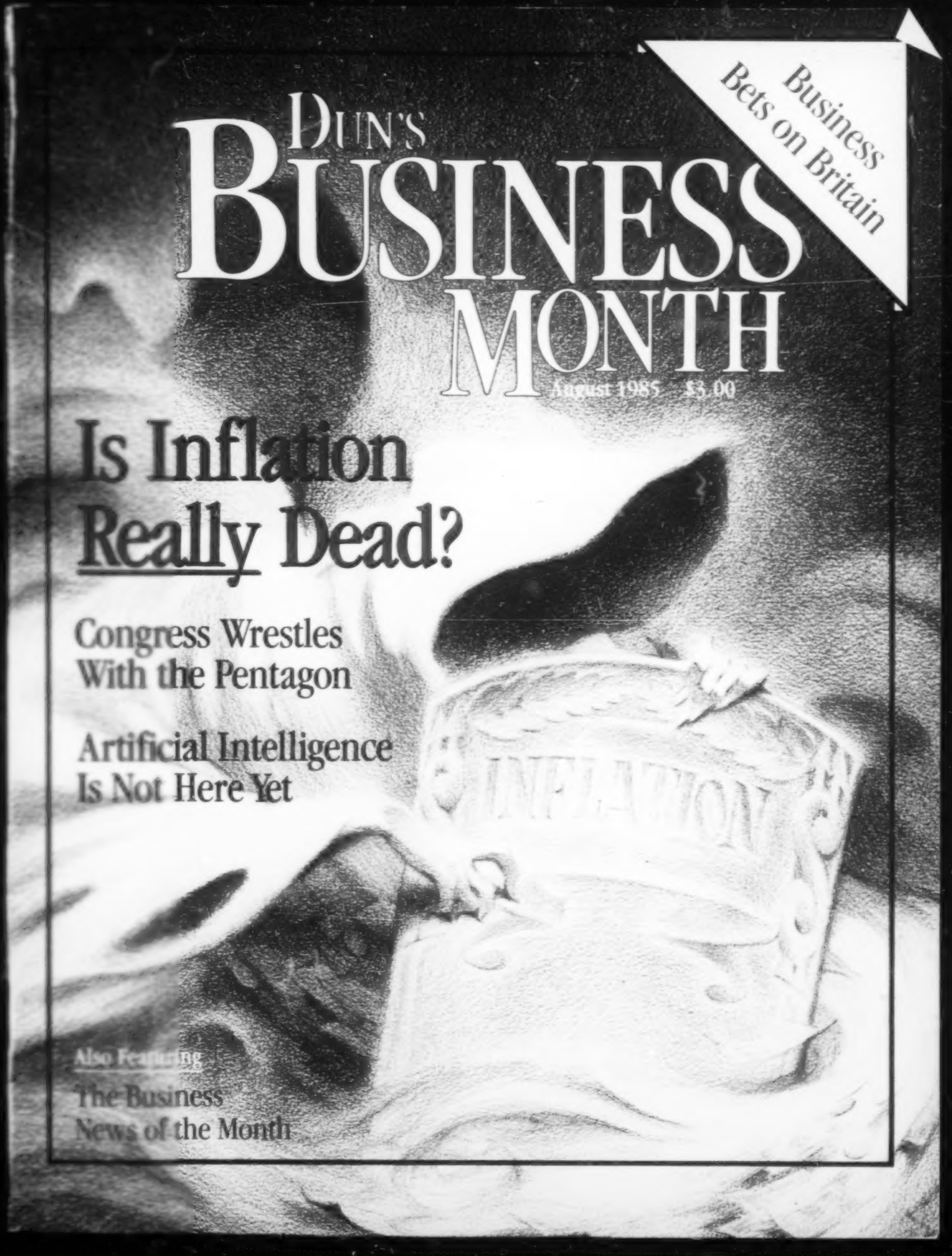
Sources: Vanguard Group Inc.; Salomon Brothers; Donoghue's Money Fund Report; Deak-Perera Fifth Avenue, Inc.; Federal Home Loan Bank Board.

ponents. Nowadays, he says, Eaton is getting 50% of its business from electronics and electrical equipment, "a high growth business," and is looking more and more like a TRW or Rockwell International, both of which enjoy much higher P/E ratios than Eaton's 7. With $500 million in cash, Eaton plans to enlarge its electronics control systems manufacturing operation with a sizeable acquisition as well as repurchase 10% of its stock over the next five years, says Lederer, thereby increasing the potential for capital gains.

Despite a costly strike at its United Airlines subsidiary, UAL Inc. is another Winrich favorite. The firm is particularly fond of its $2.40 convertible preferred B stock, which is yielding 7%. But Lederer says the common stock also figures to advance in price as the company's hidden assets are realized. UAL, in fact, has just announced plans to sell its 52 Westin International hotels for nearly $2 billion and to recapture for expansion purposes nearly $1 billion in excess pension fund assets. In addition, Lederer believes the strike will eventually benefit United Airlines by lowering its high labor costs and improving its profit margins.

Winrich's final choice is Maytag Co., which carries an average P/E ratio among appliance makers of 11 but an above-average yield of 6%, including a special dividend it declares every year. With minimal long-term debt and excess cash flow, says Lederer, Maytag is expected to repurchase more of its own stock, as it did last year and in earlier years, and enhance the odds of increasing its share price.

The Winrich formula has paid off in several big winners recently. While it normally expects to wait from 18-to-24 months to reach a target selling price on a stock, the swelling interest in income producing stocks has accelerated the pace dramatically. Winrich recently sold Syntex, the drug company, Comcast Corp., a cable TV operator, and Levi Strauss for gains ranging from 37%-to-50% after holding them for less than a year. —T.J.M.



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Is Inflation Really Dead?

Congress Wrestles With the Pentagon

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Despite the boopla about successes in expert systems, computers that "think" remain as elusive as ever, experts say. Basic breakthroughs are needed.

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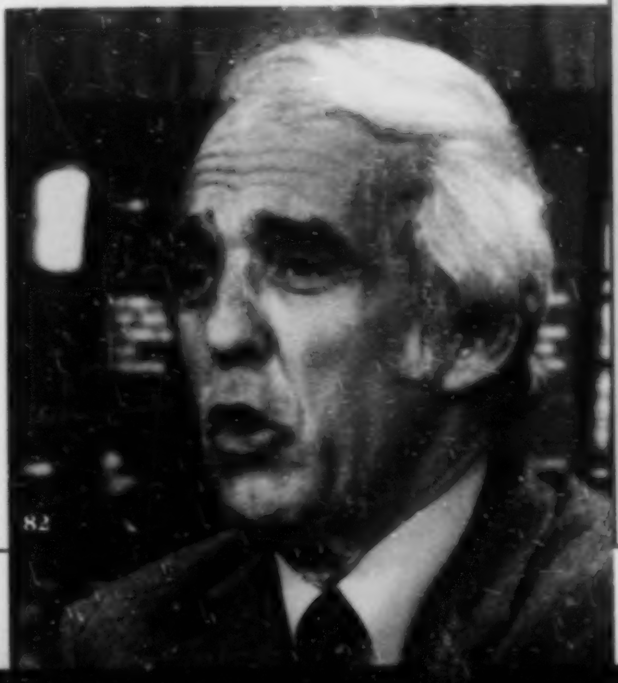

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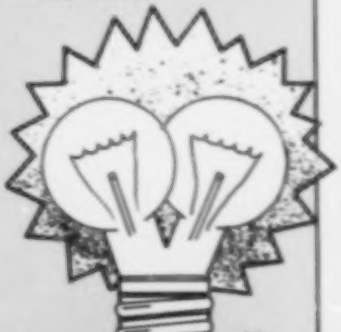

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Strength in Small Business

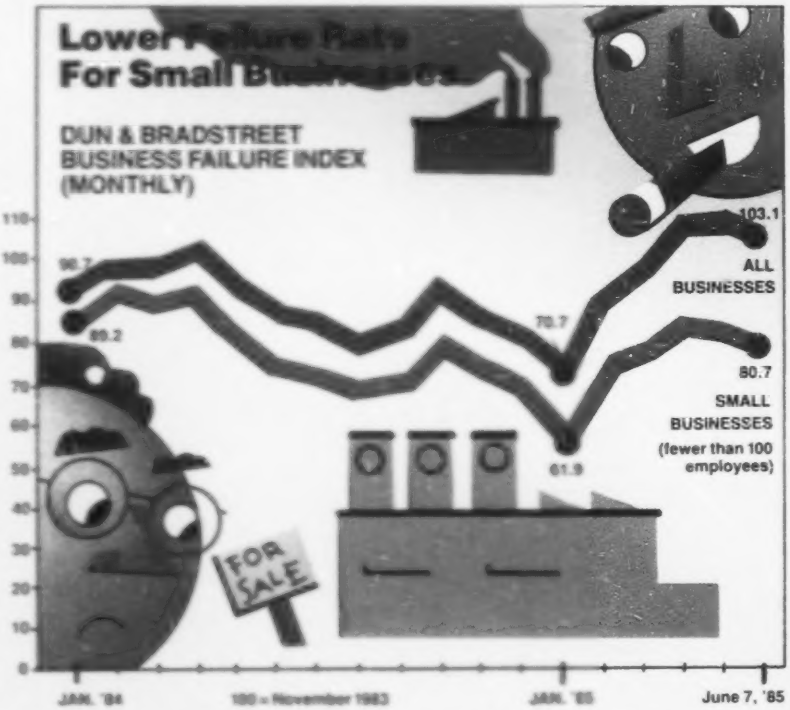
The launching of new companies is up sharply and failures are far below the level for all business.

One of the most promising, indeed heartening, trends in the economy during the 1980s is the vitality and strength of small business. In particular, the recent business expansion has been characterized by an extraordinarily high level of entrepreneurial activity.

For example, business starts as reported by The Dun & Bradstreet Corp. increased from 90,757 in 1982 to 102,329 in 1984, a very healthy gain of 12.8%. Another important measure of entrepreneurial activity, new incorporations, rose 12% during the same period.

The character of these new businesses has varied little from past experience. The bulk of them has been in the traditional American entrepeneurial enterprises: restaurants, small retail outlets, supplier firms and manufacturing industries, along with the traditionally volatile construction sector. In smaller measure, they include high-tech activities such as manufacturers of personal computers and personal computer components, software developers and computer retail outlets.

Despite the high level of new business formations by small entrepreneurs, the level of failures among small businesses (defined as companies with fewer than 100 employees) is actually contrary to the trend for all companies.


Lower Failure Rate For Small Businesses

DUN & BRADSTREET BUSINESS FAILURE INDEX (MONTHLY)

While the Dun & Bradstreet index of business failures among all companies has increased modestly during 1985 following a small decline in 1984 (*see chart*), the failure index for companies with 100 or fewer employees was actually 20% lower in the first quarter in 1985 than the first quarter of 1984. The monthly index shows a continuing decline in the number of smaller business failures and a growing spread between their experience and that of the general population of all companies.

This strength among small companies bodes well for the long-term prospects of the U.S. economy. Small firms tend to be extremely flexible in responding to changing economic conditions. In addition, nearly 75% of employment gains in 1985 will be in companies with fewer than 500 employees and nearly one-third of total employment will be in firms with fewer than twenty employees, which suggests continuing strength for the economy in the months ahead. —JOSEPH DUNCAN

Joseph W. Duncan, formerly Chief Statistician of the Office of Management and Budget and Chairman of the United Nations Statistical Commission, is Corporate Economist of The Dun & Bradstreet Corp.

INVESTMENT UPDATE

Here's the current status of a number of investments, and a look at how they have fared over the past month and the past year.

INVESTMENT	(6/30/85) Recent Price or Yield	Value of $10,000 if invested: Month Earlier	Year Earlier
Common Stock (Index fund, capital gains and dividends reinvested)	$22.46/share	$10,143	$13,050
per cent change		+1.4%	+30.5%
Bonds (30-yr., 11¾% Treasury Bond)			
MARKET VALUE		$10,073	$12,828
ACCUMULATED INCOME	$109.84	$ 90	$ 1,372
TOTAL		$10,163	$14,200
per cent change		+1.6%	+42.0%
Money Market Fund	7.21%	$10,059	$10,924
per cent change		+ .6%	+9.2%
Gold (Krugerrands)	$331.75/oz.	$ 9,918	$ 8,409
per cent change		−8.2%	−15.9%
HOUSE PRICES	**Recent**	**Month Earlier**	**Year Earlier**
Existing House	$93,000	$87,000	$84,100
per cent change		+6.5%	+9.6%
New House	$102,400	$106,400	$93,400
per cent change		−3.9%	+8.8%

Sources: Vanguard Group Inc.; Salomon Brothers; Donoghue's Money Fund Report; Deak-Perera Fifth Avenue, Inc.; Federal Home Loan Bank Board.

potential. "Revlon has recognized its problems, and beefed up its marketing considerably." Moreover, the company remains a potential acquisition target. "That's not the reason to invest, but it provides an extra attraction."

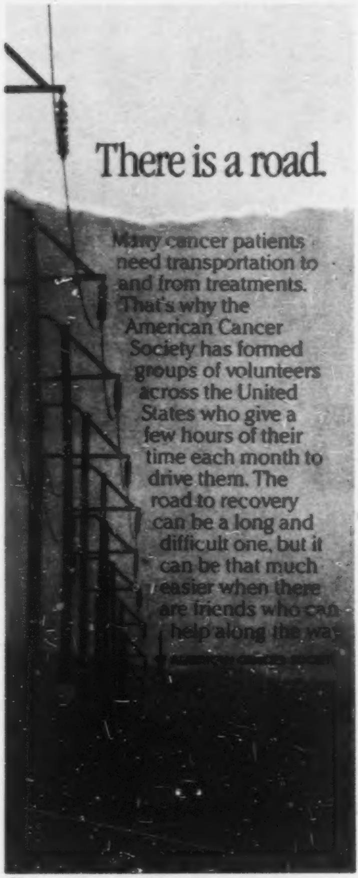
Schering-Plough Corp., a major developer in Europe of Interferon, a prospective cure for the common cold, is reasonably priced at around 48 given the expected decline in the value of the dollar, Grossman contends. "There is debate on the street as to whether or not it is the right Interferon play. But I like Schering-Plough because it has reasonable value."

While the property and casualty issues as a whole have done exceptionally well this year, Grossman thinks CNA Financial "still has a lot of room to grow." He notes that premiums in many instances have doubled, creating a pricing structure "that is just tremendous for producing significant earnings."

In addition to these laggards with unrealized value, Grossman favors interest sensitive groups such as the utilities and regional banks. "After a 20-year bear market, the utilities, in general, are positioned to be an attractive group for many, many years to come," Grossman says. He notes they will be generating significant cashflow, earnings and dividends given the more relaxed regulatory stance by utility commissions, lower capital demands now that capacity is in place and continued growth in demand vis-a-vis the growth in the economy.

He likes TECO Energy, Tuscon Electric Power, Public Service Co. of Colorado, Public Service Co. of New Mexico and Dayton Power & Light, all of which have minimal nuclear exposure and are in fast growing regions.

The regional banks, in sharp contrast to their money-center cousins, are not battered "everytime there's a crack in Brazil or Mexico," Grossman says. His bank picks include Citizens & Southern Georgia, Wachovia Corp, Hibernia Corp New Orleans and Bank of New York. —LYNN ADKINS



Many cancer patients need transportation to and from treatments. That's why the American Cancer Society has formed groups of volunteers across the United States who give a few hours of their time each month to drive them. The road to recovery can be a long and difficult one, but it can be that much easier when there are friends who can help along the way.

AMERICAN CANCER SOCIETY

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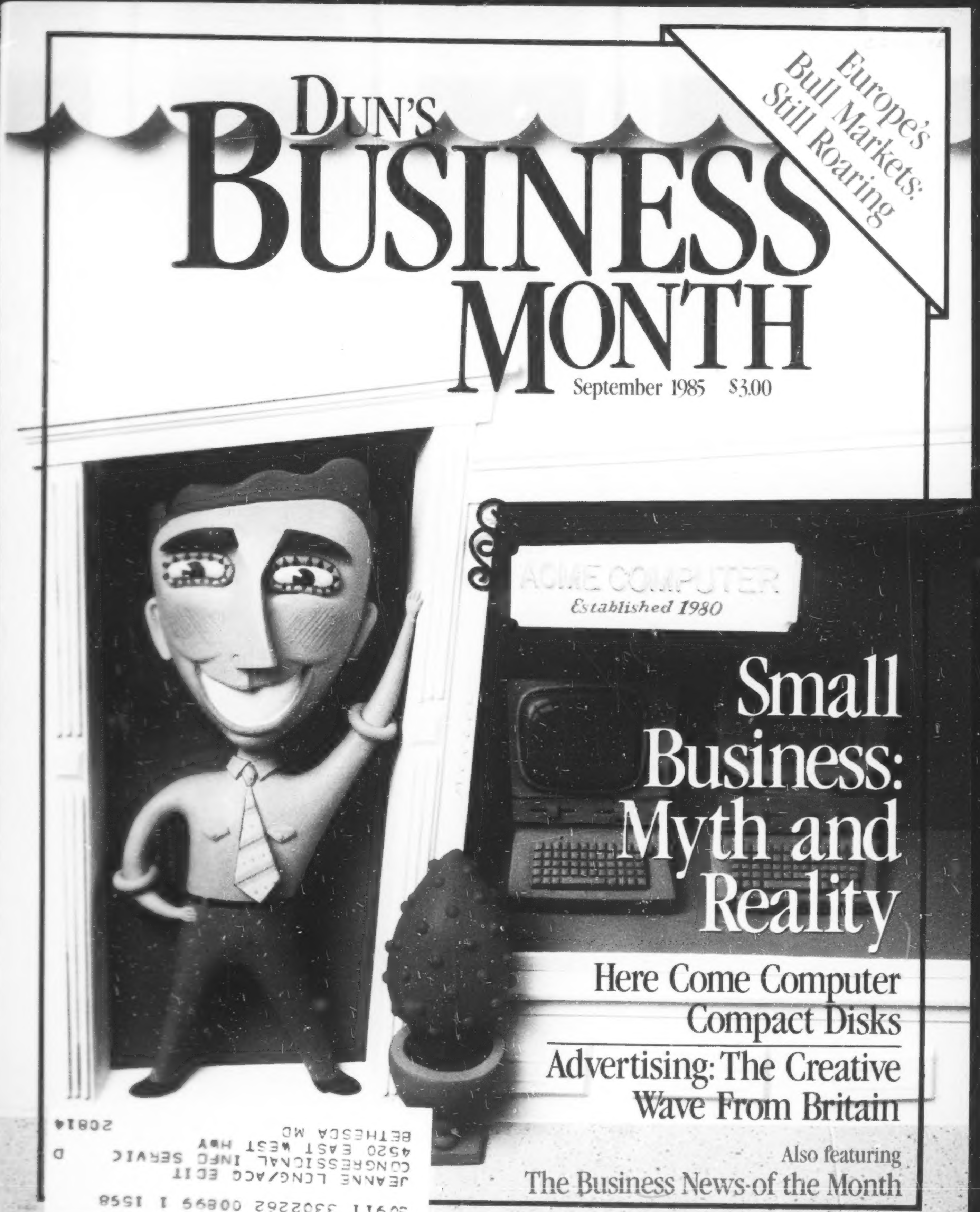

Small Business: Myth and Reality

Here Come Computer Compact Disks

Advertising: The Creative Wave From Britain

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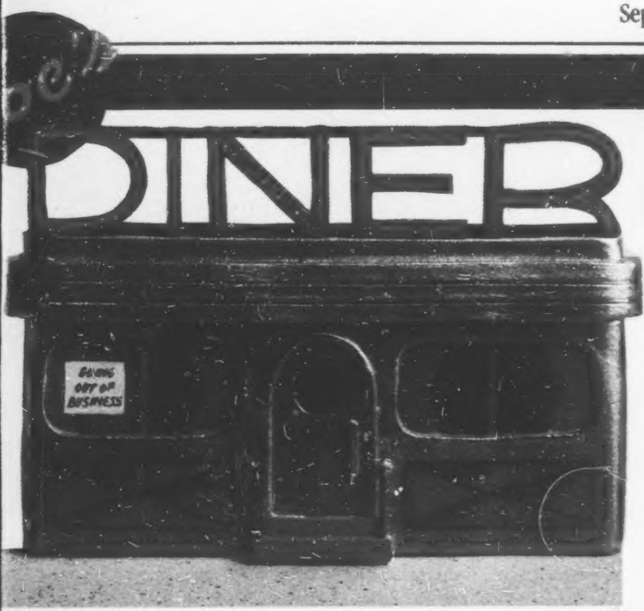

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U.S. Capital Gap: A Growing Burden

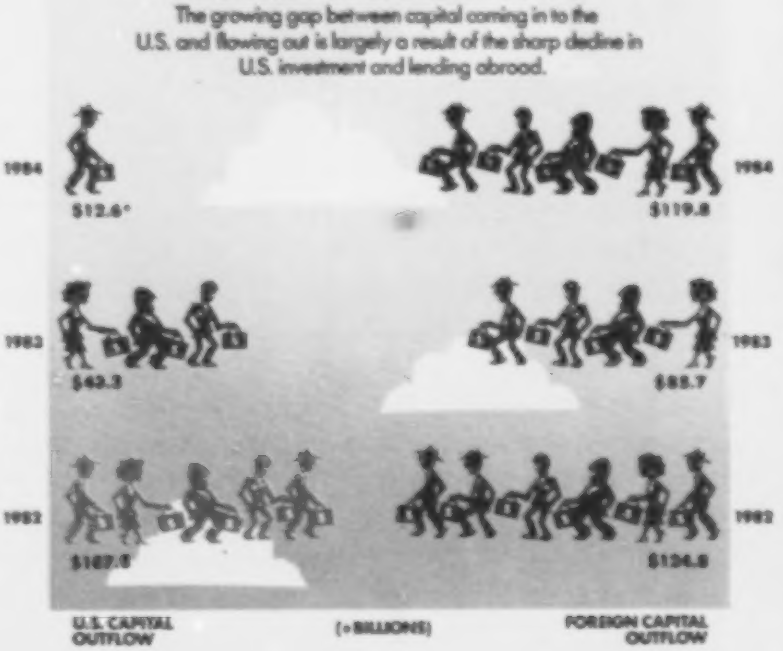
The U.S. is lending less overseas and borrowing more. The interest costs will hurt for years to come.

There has been a drumbeat of publicity in recent years about the tremendous flow of foreign capital into the United States, due to the strong dollar, high real U.S. interest rates and the positive investment climate. However, a recent study by Otmar Emminger, former president of the Bundesbank (West Germany's central bank), reveals that this is largely a myth and that net foreign purchases of U.S. equities and other direct investment actually fell between 1982 and 1984.

Moreover, another significant development pointed up by Emminger that has been ignored by the media, economic experts and the policymakers in Washington is the sharp drop in the flow of U.S. capital overseas *(see chart)*. This had been a major phenomenon of the world economy in the 35 years following World War II.

BIG SHIFT IN CAPITAL FLOWS

The growing gap between capital coming in to the U.S. and flowing out is largely a result of the sharp decline in U.S. investment and lending abroad.



Emminger points out that U.S. banks have shifted from being net lenders ($45 billion in 1982) to net borrowers ($20 billion in 1984). This shift is accounted for by the reluctance of U.S. banks to increase their loans to the less-developed countries, where they are already having difficulty obtaining the interest payments on previous loans. Moreover, U.S. banks have been faced with high levels of credit demand on the domestic front, which has inhibited them from making additional overseas commitments.

While the strong dollar has been beneficial to the U.S. economy because it has kept inflation under control, on balance it has been a negative factor, in Emminger's view. Not only has it dragged down the manufacturing sector, which has acted as a depressant on the economy as a whole, but the shift by the U.S. banks to being net borrowers has made the United States a debtor nation. This increased interest burden will weigh on the nation's balance of payments for many years to come.

However, the recent weakening of the dollar should begin to turn the situation around. Imports will stop growing, U.S. exports will become more competitive and overall economic growth will begin to pick up. That is why the economy in the second half of 1985 should show a marked improvement over the lackluster first half.

—Joseph W. Duncan

Joseph W. Duncan, formerly Chief Statistician of the Office of Management and Budget and Chairman of the United Nations Statistical Commission, is Corporate Economist of The Dun & Bradstreet Corp.

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INVESTMENT UPDATE

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INVESTMENT	(7/31/85) Recent Price or Yield	Value of $10,000 if invested: Month Earlier	Year Earlier
Common Stock (Index fund, capital gains and dividends reinvested)	$22.41 share	$ 9,978	$13,216
per cent change		−.22%	+32.2%
Bonds (30-yr., 11¼% Treasury Bond)			
MARKET VALUE		$ 9,760	$11,650
ACCUMULATED INCOME	$106.81	$ 89	$ 1,282
TOTAL		$ 9,849	$12,932
per cent change		−1.5 %	+29.3%
Money Market Fund	7.03%	$10,060	$10,893
per cent change		+ .6%	+8.9%
Gold (Krugerrands)	$327.90 oz.	$10,370	$9,574
per cent change		+3.7%	−4.3%
HOUSE PRICES	Recent	Month Earlier	Year Earlier
Existing House	$94,700	$93,000	$82,800
per cent change		+1.8%	+12.6%
New House	$119,000	$102,400	$95,300
per cent change		+21.9%	+17.4%

Sources: Vanguard Group Inc.; Salomon Brothers; Donoghue's Money Fund Report; Dean-Perera Fifth Avenue, Inc.; Federal Home Loan Bank Board.

buy. It also offers American Depository Receipts, which are units available in the U.S. and hence can be purchased in dollars rather than francs.

In Switzerland, Bratt recommends Societe Generale de Surveillance for long-term investment. Though relatively small, the company is the world's largest organization involved in trade inspection—a very specialized service that inspects and certifies goods being shipped from a seller to a buyer in another country. "If there is a shipment of grain from the Midwest to the Soviet Union," Bratt explains, "some third party has to guarantee that the grain is not rat-infested or of inferior quality."

The company is hired not only by governments but by companies. Amid the growing oil trade in many markets, Bratt observes, someone must ensure that the buyer is getting what he is paying for. Societe also values all sorts of other products, from iron ore and coal to drugs. Having pushed vigorously into this demanding business, he says, it is now strong enough to underprice anyone who tries to compete. The company's record, Bratt says, is spotless.

Societe Generale de Surveillance went public only three years ago, and has since had a consistent growth of 15% or more a year. Bratt expects it to maintain that pace for at least five more years. He suspects that it may some day be retained by the Chinese, as they increase their trade with the outside world. Arguing that the company draws strength from its diversity, Bratt suggests that U.S. investors buy the stock and lock it away.

He also likes Walter Rentsch, a Swiss company that imports and distributes products made by Canon, the Japanese manufacturer. Thanks to the high quality of its cameras, copiers and calculators, Rentsch has been boosting earnings at 20% a year, a rate that Bratt thinks will have to slow down somewhat. He notes that the company is little-known; he has never seen the stock in any portfolio but his own.

—JOHN PERHAM

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A Novel Way To Cut the Deficit

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COMPANIES CUT BACK ON BENEFITS: WHAT IT'S COSTING EMPLOYEES

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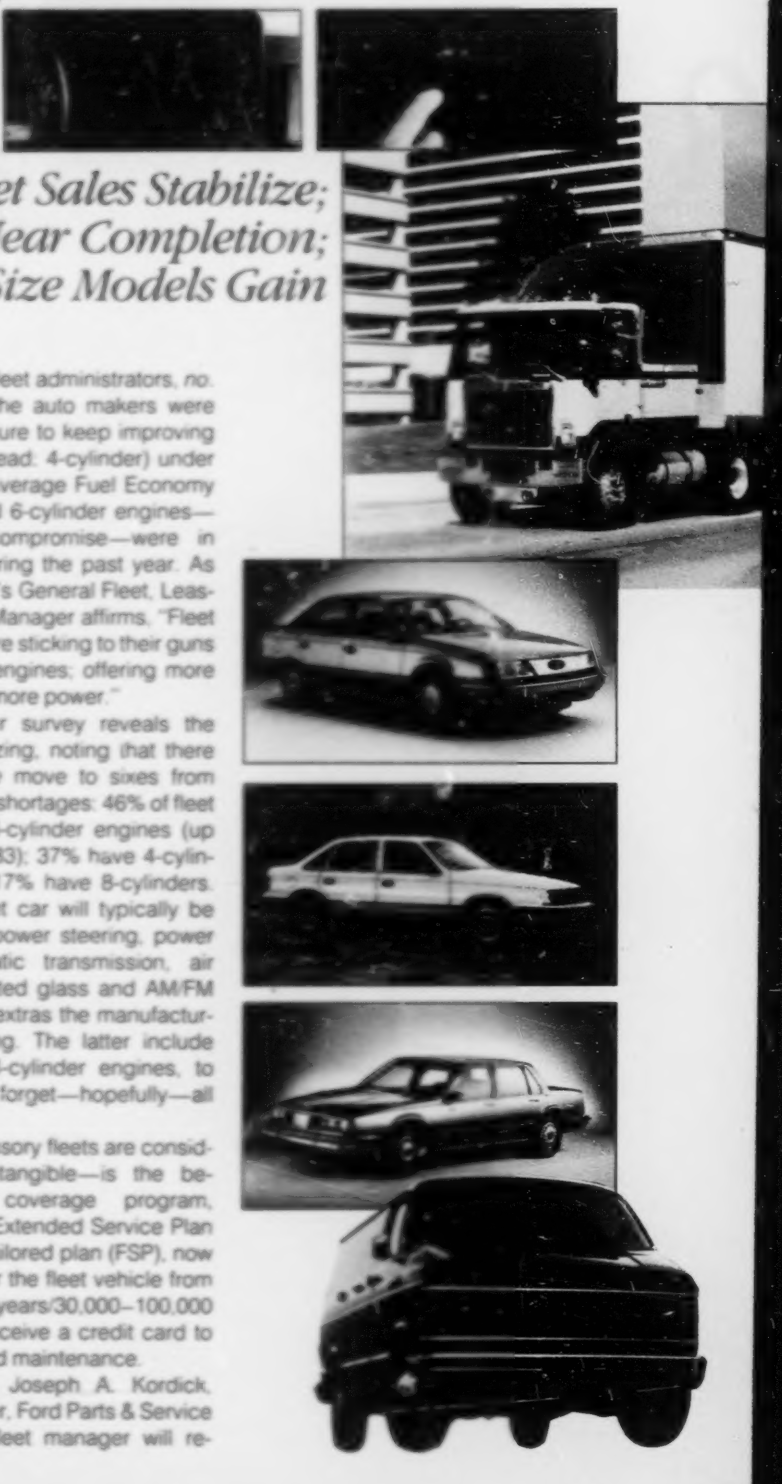

Calm Prevails as Fleet Sales Stabilize; Downsizing Programs Near Completion; Front-Wheel Drive, Mid-Size Models Gain

Since the 1981–82 slump, fleet sales have continued to rebound mightily to reach a more "normal" level of 17%-to-18% of domestic production, and industry sources surveyed see 1986 sales holding firm. "When the economy was soft in '79–81, fleets greatly extended their replacement cycles", says Hal Barton, Chrysler's General Manager of Fleet Operations, "but they came back strong in 1983 with a 10% increase and 1984 with about a 33% gain. We see 1986 as another level year for the industry, with fleet administrators' buys similar to '84 and '85, and no foreseeable dips."

The fleet share of domestic production is even more impressive, considering that auto sales through the end of August 1985 amounted to 5,582,017 units, compared to 5,298,321 for the same period in 1984, according to *Ward's Automotive Reports*. Imports still have little fleet influence, despite lifting of restrictions. In fact, of fleets reporting *any* imports in their lineups, these amounted to only about 4% of their vehicle totals.

Most fleets have completed downsizing programs and the front-wheel drive mid-size car has become the fleet standard. (However some fleets that may have overreacted to fuel scares and moved abruptly down from full-sized to compacts are now moving back *up* to mid-size cars.)

Though the price of fuel has stabilized around the $1.20/gallon level, sanity prevails and there's been no stampede to larger, more powerful cars. Requests from the field, *yes*; acquiescence by fleet administrators, *no*.

Additionally, the auto makers were still under pressure to keep improving fuel economy (read: 4-cylinder) under the Corporate Average Fuel Economy (CAFE) law, and 6-cylinder engines—the "power" compromise—were in short supply during the past year. As B.G. Willis, Ford's General Fleet, Leasing and Rental Manager affirms, "Fleet administrators are sticking to their guns and 4-cylinder engines; offering more equipment, not more power."

A Runzheimer survey reveals the state of downsizing, noting that there has been *some* move to sixes from fours, in spite of shortages: 46% of fleet vehicles have 6-cylinder engines (up from 38% in 1983); 37% have 4-cylinders and only 17% have 8-cylinders.

The 1986 fleet car will typically be equipped with power steering, power brakes, automatic transmission, air conditioning, tinted glass and AM/FM radio, plus any extras the manufacturers are including. The latter include turbo-boosted 4-cylinder engines, to make drivers forget—hopefully—all about sixes.

Another accessory fleets are considering—albeit intangible—is the beyond-warranty coverage program, such as Ford's Extended Service Plan (ESP). Its fleet-tailored plan (FSP), now in test, will cover the fleet vehicle from two to four years/30,000–100,000 miles. Drivers receive a credit card to use for repair and maintenance.

According to Joseph A. Kordick, General Manager, Ford Parts & Service Division, "The fleet manager will receive one monthly statement, detailing dealer charges, and we expect the program to reduce maintenance costs overall because of the centralized control it gives the fleet manager".

As to fleet cars now on the road, the majority of administrators report "improved quality", and while the number of front wheel drive cars in fleets is on the rise, there's been a dramatic decrease in front wheel drive maintenance problems; with only 22% of fleet managers experiencing "excessive or unusual" maintenance, according to Runzheimer's survey. With 1984 median fleet budgets up a mere 2% ($1.58 million) over 1983, all the signs point to stability, and if fleet administrators—and their fleet sales counterparts at the manufacturers—are relaxing a bit lately, who can blame them?

This, the fifth annual Fleet Management Focus Report, explores key areas of fleet management and managers' concerns (fuel cost is no longer the big worry, cost of repairs and maintenance is now first), touches on what's known about the tax situation, reviews 1986 fleet offerings and includes cost-cutting trends in trucking.

1986 Fleet Lineup: Frugality With Flair

This brief rundown of some of the major manufacturers' perceptions and products, vis-a-vis fleet offerings, gives an overview of the '86 fleet marketplace, about which a few general conclusions can be drawn.

As a given, all manufacturers remain firmly committed to fleet sales efforts, in spite of the strong resurgence in retail demand in early '85. Because fleet requirements have historically remained fairly stable, even as consumer sales fluctuate (as in '85, with a summer downturn following the spring upturn). So car makers have obviously come to appreciate the relatively solid base that the fleet business offers (now back to a more normal 17%-to-18% of domestic auto production).

Manufacturers across the board are convinced that the trend toward mid-sized fleet vehicles is continuing and most either have intermediate models ready for '86, or are introducing new intermediate models for '87, to better meet the growing demand.

A 4-cylinder vs. V-6 engine controversy has arisen, with most manufacturers confident that their current fours, particularly those with turbo or other options, can virtually equal the performance of the sixes. Many fleet operators, on the other hand, are insistent on ordering V-6 options with mid-sized vehicles. The strong fleet demand for more powerful sixes has left some manufacturers in short supply, or out altogether. They're more than a bit puzzled by the situation as well, given the unfavorable fleet cost equation between fours and sixes.

A study of that equation was released earlier this year by Peterson, Howell & Heather, the fleet management and leasing company, which found that over a little more than a two year period, a six would cost approximately $541 more to operate than a four. In addition, it noted that a typical six-cylinder option that carried a purchase price of $106 back in '82, now costs $285 and is projected to cost $350 in '86. PH&H pointed out that if the rate of growth that took place in those prices between '82 and '86 continues for four more years, the extra price for a six in 1990 would be $1,155.65!

In any event, the following brief manufacturer profiles will reveal that, with few exceptions, most of the '86 models targeted by car makers for fleet use are carry-over models, with technical and/or cosmetic updates.

Chevrolet

"The Celebrity has become *the* fleet standard," confidently states George Frink, Director of Fleet Sales, Chevrolet.

Apparently a lot of fleet managers agree, because the Chevrolet Celebrity, a front wheel drive intermediate, is the #1 selling fleet car in the U.S. Of the 270,000 Chevrolets that found their way into fleet applications this year, over 100,000 of them were Celebrities.

Chevrolet's Frink: It's not puffery calling our Celebrity the 'perfect' fleet car

There probably would have been even more, but fleet orders for '85 Celebrities with optional V-6 engines outstripped supply.

Frink believes that the '85 rush for V-6s occurred because ". . . since gas at $1.20 a gallon is a marketplace reality, there's an increasingly strong demand for higher performance engines. There's still some resistance to 4-cylinder engines, but I think it's just a problem of perception. The four has proven to be an excellent performer, and we're now providing a 'EuroSport' package with the fours as a fleet incentive."

For '86, Frink explains: "What the fleet administrator has to weigh is the extra cost of the six, about $300; not getting the 'EuroSport' package and spending more for fuel; that versus the higher resale value for the 6-cylinder."

Chevrolet's second best-selling fleet model is the Cavalier, a front wheel drive compact, followed by the full-size Caprice. The elimination of the X-body Citation has created a bit of a void in the compact area. A new intermediate, the "L body," will be introduced in '88–'89, to compete with Ford's new Taurus.

Chevrolet's mid-size Celebrity

The Astrovan, Chevy's entry in the fast-growing mini-van category, is already causing considerable fleet excitement. Confirms Frink, "The Astrovan is just going great. Its key advantage is that it was first designed as a *commercial* vehicle, then adapted to passenger use. It has the guts to go."

Buick

"About 16% of Buick production normally goes to fleets, but we dipped slightly to 140,000 in '85, primarily due to lack of X-body Skylarks. However, we expect to be back up in '86, with the introduction of the front wheel drive LeSabre," says George B. Shane, Buick's Director of Distribution & Fleet.

Shane explains that Buick has invested more than $300 million in "Buick City," a brand new plant being built inside an older facility in Flint. But Buick isn't limiting its expectations to the LeSabre, which should be in fleets by spring '86, as production increases.

Other models that Shane expects to win '86 fleet approval include the 4-door, front wheel drive version of the compact Somerset Regal that will carry the famed "Skylark" name. The original Skylark, an X-body compact that saw wide fleet use has been phased out, but Buick believes that the new version Skylark will prove to be just as popular.

The Century 4-door intermediate with 4-cylinder engine is now the number one car in resale value nationwide, a fact that Shane is convinced will add even more to its appeal for fleet administrators in '86. Shane points out that another intermediate, the 2-door, rear wheel drive Regal has been finding its way into fleets as an "incentive" car. For '86, the Regal will feature a new V-8 option.

Buick Skylark Limited

In the executive application category, Buick's entries are the front wheel drive, 2-door Electra/Park Avenue and Riviera models, the latter featuring a new electronic graphics display console. (Yes, just like an airplane's.) Shane comments that the Riviera has found wide acceptance as a daily rental fleet car. As proof of its popularity, Shane points out that the Riviera is the most *stolen* car in America!

Oldsmobile

"Oldsmobile's message of quality and proven resale value is understood and getting through to fleet administrators," says R.E. Pasche, Manager, Oldsmobile Fleet Sales Administration, who projects sales of some 200,000 fleet units for 1986—a *very* good year, indeed.

Oldsmobile Cutlass Supreme

If the fleet sales of Oldsmobile's Cutlass Supreme and Cutlass Ciera are any indication, fleet administrators are indeed responding to the message of Oldsmobile's excellent life-cycle value. Fleet demand for those two intermediates actually outran availability in '85.

Oldsmobile feels that in addition to historically high resale value, its inherent quality image also contributes to its consistently strong driver appeal. As Pasche explains: "Companies have been upgrading to Oldsmobile for employee morale. Tupperware, for instance, has 6,000 Cutlass wagons.

For '86, Oldsmobile plans only cosmetic changes on its fleet-favorite Cutlass models, with a new, restyled Ciera coupe expected to push Ciera ahead of Supreme in fleet applications.

A new 4-door, sedan version of the "world-class" (somewhat larger than compact) size Calais—already on major leasing company selector lists—will be introduced for '86. Oldsmobile expects it to create a great deal of fleet excitement. Another hot fleet prospect for '86, according to Olds, will be the Toronado. Although not a new entrant, the Toronado has been completely revamped for '86, with new high-tech electronics and styling.

A new front wheel drive version of the fleet-popular Delta 88 full-size, and a new notchback coupe version of the Firenza compact will also appear in Oldsmobile's formidable fleet lineup.

Pontiac

Pontiac is now a major player in the fleet marketplace, having seen its fleet placements grow by some 56% in only two years. Much of that growth can be attributed to Pontiac's *very* successful 6000, a front wheel drive intermediate. Other key contributors to Pontiac's recent fleet growth are the Bonneville intermediate and the Sunbird compact. For '86, those models will offer a variety of technological and design changes.

The full-size Parisienne sedan and 8-passenger wagon, also popular among fleets, are unchanged for '86, as is the sports/specialty Firebird, which has seen considerable use in executive and perk applications.

Entirely new for '86 is a 4-door sedan version of the compact Grand Am, which excited fleet interest when introduced as a coupe last year.

Cadillac

It wasn't until recent years that Cadillac gained regard as a serious fleet contender. Continued downsizing of Cadillac models, combined with a more youthful, "European" design and engineering philosophy, as well as an ongoing commitment to fuel economy, has made Cadillac a prime contender for executive fleet applications.

There was a slight falloff in "executive" placements in '85, as a result of new IRS regulations concerning business usage and depreciation. Nevertheless, Cadillac sees '86 as a growth year for its fleet business and feels that some of that growth will come from increases in "incentive" applications.

Cadillac positions its '86 models in direct competition with the high-end imports. Cadillac's new offerings include the compact Cimarron, featuring fresh styling and a new V-6 engine with a five speed manual transmission; a newly downsized Eldorado 2-door coupe and Seville 4-door sedan, and the full-sized Fleetwood Brougham.

Chrysler

"We've proven ourselves a viable fleet market source, are extremely pleased with the way fleet administrators have accepted our vehicles across the board and are totally optimistic for 1986." That's the upbeat assessment of Hal Barton, General Manager, Chrysler Fleet Operations.

Barton explains his optimism: "We've demonstrated the quality of our products and the increases in our fleet sales clearly tell us that the people who tried us early on were pleased. In fact, from '81 to the end of '84, we *doubled* our fleet penetration."

Chrysler's stylish LeBaron

To keep its momentum, Chrysler got a head start this year by announcing its '86 fleet programs at NAFA's annual meeting in June of this year and by showing videotapes of its '86 models at regional meetings as early as April.

For '86, the compact "K" cars, the Dodge Aires and Plymouth Reliant should continue to be the mainstays of Chrysler fleet sales. Three other fleet-popular models, the intermediate Chrysler LeBaron GTS, Plymouth Caravelle and Dodge Lancer will again be offered. What's new for '86 is a 2.5 liter 4-cylinder engine, which joins the turbocharged 4-cylinder introduced in '84, as optional alternatives to the standard 2.2 liter four. These more powerful fours are expected to attract fleet customers Chrylser might otherwise lose to V-6s.

The Dodge Caravan and Plymouth Voyager minivans are expected to continue to draw great fleet interest in '86. But in spite of expanded production capacity, Barton warns that they will remain in very limited supply to fleets for '86, due to ongoing consumer demand. He concludes, with justified optimism, "We have all the vital ingredients; products, people and programs, and are off to our fastest fleet start ever. We hit 50,000 orders by July, and had more fleet allocation from August and September production than we used in four months last year!"

Ford

"Selection of a fleet vehicle is not an emotional one. It's based on cost getting in, holding cost and cost out. Fleet administrators have weighed the data and shown by their actions that we [Ford] show up extremely well. So we expect '86 fleet sales to hold roughly the same as '85." That's the assessment of B.G. Willis, Ford Division General Fleet, Leasing and Rental Manager.

To back his claim that fleet administrators recognize Ford's cost advantages, Willis cites the fact that Ford devotes 28% of its car production and 30% of its light truck production to fleets, as compared with an industry average of only 17%.

Says Willis, "Our 'Red Carpet' Leasing Program has grown substantially as car prices have risen. People are willing to pay for the vehicle's use and are no longer overly concerned about ownership." Bottom line considerations will continue to influence fleet vehicle choices in '86, as Willis points out: "There's been a small move by fleets to larger cars, but most fleet administrators are sticking to their guns and 4-cylinder vehicles.

One of the most popular 4-cylinder fleet vehicles has been the compact Tempo, which is Ford's best selling fleet model. For '86, the Tempo will feature a new aerodynamic front end, larger tires and an improved suspension. The subcompact Escort, also very popular with fleets, will offer new front end aerodynamics, increased power and better fuel efficiency.

Ford's second most popular fleet car, the intermediate LTD, will again be offered for '86, although production will probably be permanently phased out early in the year. The full-size Crown Victoria will again be available in '86, as will the sports/speciality EXP, which had been dropped from Ford's '85 lineup. The EXP, a 3-door hatchback, should generate interest for executive and perk applications.

Ford's wedge-shaped Taurus

But Ford expects the greatest '86 fleet excitement to be generated by a brand new model—the Taurus. It's a front wheel drive intermediate that features an extremely aerodynamic body design. The Taurus will be available as a 4-door and a wagon (with the lowest drag co-efficient of any wagon on the market) and is expected to win strong fleet acceptance, ultimately displacing the LTD in fleet popularity. Based on early fleet response, Taurus' only immediate problem will be availability.

The Aerostar, Ford's new minivan with a front engine, rear wheel drive powertrain, is also expected to produce considerable interest among commercial and service fleet operators for '86.

Lincoln-Mercury

"Mid-size is where the fleet market is going and with GM's X-car compacts gone, the choice of compacts has been depleted. That's helped drive fleet business to mid-sized cars, and our new Sable will help drive even more people into mid-size." That's the '86 fleet situation, as seen by John Rowley, Lincoln-Mercury Division's Major Leasing and Fleet Accounts Manager.

The move to mid-size suits Lincoln-Mercury just fine. Two of their best selling fleet models are intermediates, with a brand new intermediate—the Sable—

Mercury's all-new Sable

ready for '86. Rowley believes that the company's mid-size strength, combined with excellent life-cycle cost ("... a decided advantage ...") and excellent customer service ("... the best in the industry") will help Lincoln-Mercury maintain record fleet sales—projected at 180,000 units for '86.

The Mercury Sable will be available as both a sedan and a wagon, featuring radical aerodynamic styling, a 3-liter V-6, with 140 horsepower, spacious cargo and passenger areas and numerous high-tech operational, safety and comfort refinements. The product development cost of the Sable (and its Ford cousin, the Taurus) has thus far amounted to some $3 billion, but Rowley feels it was definitely worth it.

Rowley predicts a tremendous fleet response to the Sable, with special appeal for younger, professional sales-level fleet drivers ("an upscale car for upscale drivers.") But since the consumer response is also expected to be great, the Sable's fleet availability may be somewhat limited in '86.

The intermediate Marquis, Mercury's former fleet leader, will be permanently phased out during the '86 production cycle, so availability here will also be limited. However, Rowley points out that Sable supply should catch up with the expected demand, once a second plant is on-stream during the first quarter of 1986.

The sports/special Mercury Cougar intermediate will again be offered in '86 and should continue to prove popular for the growing number of applications where perk and driver morale are important as well as rentals. The fleet-popular Mercury Topaz compact will feature a new front end, new engine and a new 4-wheel drive option for '86, while the Lynx sub-compact holds its own for special fleet applications, such as public utilities.

American Motors

"With the fleet market's shift to larger cars, the sub-compact segment is shrinking. Since sub-compacts are our principle product, it's going to be very difficult for us to increase fleet volume until our new mid-size cars are ready." That's the frank appraisal of AMC's '86 fleet situation by Martin R. Levine, Director, AMC Sales Operations. (For the record, industry sub-compact sales were holding at about 20%, but in recent months have dropped to 15%.)

AMC significantly penetrated the fleet market with its sub-compact Alliance and Encore and while Alliance/Encore sales to rental fleets will probably remain strong, it's with their 4wd drive Jeep Cherokee and Wagoneer that AMC hopes to hang on to the rest of the fleet market. The Cherokee and Wagoneer have proven popular in snow-belt applications, where 4wd is a definite advantage. (The Cherokee, which has won 4wd off-road honors, is also available in 2-wheel drive.)

A key financial advantage of AMC's top-of-the-line Wagoneer is escaping IRS limits on investment tax credits and depreciation. (See Taxing Time, p 30.)

A new '86 entry in the light truck category, the Jeep Comanche, should also help AMC keep its hand in the fleet business. This pickup features a choice of two or four wheel drive, with the 4wd offering a "shift-on-the-fly" (between 2wd and 4wd) capability.

Fuel-injected Jeep Comanche

Presuming AMC can keep its fleet presence alive in '86, it should fare much better in '87, when a new mid-size (currently code-named "X-58") and compact ("X-48") will be introduced, allowing AMC to finally compete in those important size categories. "The new models will make '87 our renaissance year," says Levine, "especially in our fleet business."

Continues Levine, "In 1979, we did

Selected 1986 Projected Ownership and Operating Costs

			Front Seat								Annual Costs[2] For 20,000 Miles		
Make[1]	Model	Doors	Head Room	Leg Room	Luggage Capacity	Weight	Overall Length	Drive Unit	Cyl	Displace	Operating	Ownership	Total
					(Cu. Ft.)	(Lbs.)				(Liters)			
Cadillac	Deville	4	39.3"	42.4"	15.7	3378.5	195.0"	FWD	8	4.1	$1,750	$4,958	$6,708
Chevrolet	Caprice CL	4	39.2	42.2	20.9	3659	212.8	RWD	8	5.0	$1,740	$3,445	$5,185
Oldsmobile	Cutlass SP	4	38.7	42.8	15.2	3233	200.4	RWD	6	3.8	$1,570	$3,272	$4,842
Dodge	Caravan	4	38.9	38.3	48.4	2700	175.9	FWD	4	2.2	$1,530	$3,304	$4,834
Ford	LTD	4	38.7	41.9	15.1	3001	196.5	RWD	6	3.8	$1,570	$3,256	$4,826
Chevrolet	Celebrity	4	38.6	42.1	16.2	2824	188.3	FWD	6	2.8	$1,480	$3,150	$4,630
Plymouth	Reliant K	4	38.6	42.2	15.0	2402	178.6	FWD	4	2.2	$1,320	$2,953	$4,273
Ford	Tempo GL	4	37.5	41.5	12.9	2398	176.2	FWD	4	2.3	$1,250	$2,983	$4,233
Chevrolet	Cavalier	4	38.6	42.2	13.6	2342	174.3	FWD	4	2.0	$1,280	$2,923	$4,203
Ford	Escort L	4	38.1	41.5	17.0	2159	166.9	FWD	4	1.9	$1,230	$2,810	$4,040

Footnotes:

1) All cars similarly equipped including automatic transmission, power steering, power disc brakes, air conditioning, tinted glass, AM-FM radio (stereo when radio not available), body side moldings, cruise control and left-hand remote control mirror.

2) Costs include operating expenses (fuel, oil, maintenance and tires), ownership expenses (insurance, depreciation, financing, taxes and license) and are based on a 3-year/60,000 mile retention cycle.

Source: Runzheimer & Co.

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less than 1,000 fleet vehicles, whereas 40,000 units went to fleets in '84. So we *have* come a long way and expect '85 and '86 to be about the same."

Nissan

Like other Japanese manufacturers, Nissan has been hampered in its fleet activity by the import restrictions and has relied on its light trucks to keep a presence in the U.S. fleet market.

Spearheading Nissan's '86 effort to rebuild fleet placements will be a new minivan, to be known as the Stanza Wagon. It features a unique dual sliding door arrangement, which uses no door posts separating the side door from the front doors, aerodynamic styling, front wheel drive and 80 cubic ft. of cargo space. A five speed manual and an automatic transmission are available.

Toyota

Partially as a result of the import restrictions of the last two model years, most of Toyota's fleet placements have been in the light truck category. For '86, Toyota is offering a new 137 inch, dual rear wheel drive cab/chassis. The standard 112 inch cab will still be offered, available with either single or double rear wheels. It's common for fleets or independent converters to buy Toyota's cab/chassis models and add the appropriate truck body themselves.

On the auto side, a potential fleet/rental entry for '86 is the aerodynamically redesigned Celica sub-compact.

Volkswagen

"We feel our 1986 model lineup is on the cutting edge of technology. All Volkswagen car lines . . . include front wheel drive, fuel injection and 4-wheel independent suspension. No other manufacturer in the U.S. can make that statement." That's the proud assertion of Dick Dennis, Fleet Sales Operations Manager of Volkswagen/Audi.

According to Dennis, that technology has helped make Volkswagen products "just right" for today's fleet market, resulting in fleet sales that almost tripled from '82 to '84, with '85 sales strongly ahead of '84's.

Volkswagen of America's strong confidence in its engineering and product quality is reflected in its warranty program. As Dennis explains: "Our warranty is about the best in the market: a 2-year unlimited mileage protection plan on everything except tires—maintenance and custom work excluded—and covering all our models."

Volkswagen's best selling fleet model is the Golf (from the German "golfstrom", meaning gulfstream), a sub-compact. The compact Jetta is the next most popular model, although fleet availability has been somewhat limited by strong consumer demand and the fact that it's manufactured overseas. (The Golf is manufactured in the U.S.). The slightly larger Quantum has yet to find significant fleet penetration, except to a limited degree as rentals, while the Vanagon minivan has entered some service fleets.

Volkswagen's jaunty Jetta

Volkswagen will pursue a policy of "comparative ride 'n drive" marketing in '86, feeling confidently that once a potential customer has experienced the VW's handling and performance, a fleet sale will more likely be closed. According to Dennis, this approach should prove particularly useful in gaining serious consideration for somewhat higher-end applications for the Quantum, which is still largely unknown among fleet operators.

Volkswagen admits that the trend toward mid-sized fleet cars has hampered its ability to further penetrate the fleet market and is currently working on a possible mid-size model for future introduction. In the meantime, there will be no major design or technological changes on the '86 model lineup.

As noted earlier, the preceding contains only a brief summary of the 1986 fleet offerings from major manufacturers. For more detailed information, including complete specifications, equipment and fleet package listings, please refer to the various fleet guides offered in the *Information, Please* section on page 40, and on the Reader Service Card, pages 17–18. —T.R.

A Special Report from the Business Department of DUN'S BUSINESS MONTH

Fleets Face Taxing Times

Aside from the fuel crises of the past, nothing in recent memory has served to shake up fleet administrators more than the contemporaneous recordkeeping provision of the Deficit Reduction Act of 1984. It called for drivers to keep daily running logs, including time and mileage, and companies were to certify to the IRS that such records were being kept. It was sheer madness, (as any manager who ever tried to get an accurate field sales call report in on time realized), and a veritable rebellion ensued.

Fortunately, the cries of outrage and calls for common sense reached the lawmakers, and as of April 2, 1985, the requirement to keep contemporaneous records for travel expenses was eliminated and pre-1984 rules reinstated. But over the fleet managers' collective sigh of relief could be heard the IRS' stern reminder, in the words of one James Fields, Office of Chief Counsel, IRS: "Starting in 1986, adequate records or other corroborative evidence will be required. Monthly or weekly expense sheets should be sufficient, if they include mileage data".

After all the battling and in-fighting, the net effect of the rebellion is that business mileage no longer has to be recorded on-the-spot, but drivers must continue to keep accurate records of business and personal use.

IRS Rules of the Road

As you read this summary, the IRS should have published (by October 1, 1985) new rules covering business auto personal use, fringe benefit value, luxury autos and recordkeeping. While fleets scored somewhat of a victory with the new law, bureaucratically titled, "Repealing Contemporaneous Recordkeeping Requirements Added by the Tax Reform Act of 1984" (H.R.1869), they lost on investment tax credit (ITC) and depreciation.

AMC's top-of-the-line Wagoneer steers clear of ITC depreciation restrictions (for now)

The new law reduced limitations on ITC and depreciation under the Accelerated Cost Recovery System (ACRS) for "luxury" cars. Now, provided the 50% business use test is met, the available ITC has been lowered from $1,000 to $675 (making the vehicle price "cap" just $11,250).

On the other hand, ACRS provisions apply to a vehicle with a maximum price of $12,800 (total 3-year depreciation), as opposed to the previous ceiling of $16,000. (Interestingly, AMC's top-of-the-line *Wagoneer* is priced well above the caps, but avoids the new limits because it weighs 6,025 pounds, while the regulation defines "passenger automobile" as one weighing 6,000 pounds or less. Therefore, owners of *Wagoneers* used for business get—for now, at least—the full ITC and 3-year accelerated depreciation.) But you can forget all the foregoing if the President's proposed tax reform goes into effect.

Tax Reform Package

Under the proposed tax reform package, the ITC would be eliminated and ACRS would be replaced by CCRS (Capital Cost Recovery System). Under CCRS, company cars will have a 5-year depreciation term. However, the IRS' Fields pointed out at the National Association of Fleet Administrators annual conference that CCRS will allow up to 80% write-off in the first two years, compared with 63% under ACRS. But the exact first year's recovery percentage will depend on when the vehicle is placed into service. Also, according to Fields, an inflation component, issued annually by the Treasury Department, will serve to adjust the depreciation base in high inflation years, allowing greater write-offs for fleets. Finally, capital gains will not be allowed on the sale of depreciable property.

Runzheimer & Co., whose staff has carefully tracked the proposal's progress, cautions that "calculation of a recovery deduction under CCRS will be *far* more complex than under ACRS".

The consensus: CCRS is well on its way to becoming yet another potential administrative nightmare, and a costly one at that. Should the proposal become law, Runzheimer recommends reviewing the cost-effectiveness of selected vehicle replacement schedules in light of CCRS; conduct cash flow analyses to re-examine the type of vehicle acquisition; and, if leasing, contact lessors *now* to determine projected effects of the law—including IRS inflation adjustments—on both parties.

As this Focus Report went to press, the tax reform package is a *proposal* only, still subject to continual outside pressures and internal shifting. It's final form is anyone's guess, but certainly it will have a bottom line effect on fleets who own or lease vehicles and some smaller, heavily leveraged lessors, who depend on ITC, may not survive. Whatever the outcome, personal use of company cars is considered income and must be reported as such. (However, companies now have the option of *not* withholding and reporting for income tax purposes an amount based on the fringe benefit value of the car. Under the option a company reports taxable amount of "fair market value of the personal use benefit" in the employees' W-2 form, after duly notifying employees. FICA taxes on the amount will still be withheld by pay period, quarterly, semi-annually or annually.) Of course, none of this applies to driver-owned fleets, wherein the company simply reimburses the driver for business miles.

For the majority of companies—who own, lease or operate with a combination of the two—it's time for contingency planning and some serious bean counting, based on worst-case scenarios. And don't forget plenty of aspirin for your about-to-be-beseiged fleet administrator. —J.F.C.

Editor's Note: The complete Runzheimer special report, "From Recordkeeping to Tax Reform", including the October 1, 1985 Treasury Department ruling summary, is available at $7.50 per copy, postage included. Write to: Runzheimer International, 555 Skokie Blvd., Suite 245, Northbrook, IL 60062.

Lessors' Advantage: Extra Services

The fleet leasing market continues to grow at a steady, albeit slow rate. Since there's little differentiation as far as the basic types of leases offered, leasing companies are competing even more aggressively in the marketplace by offering more and more ancillary services. (Runzheimer's 1985–'86 Survey of Business Car costs reveals that the most popular lease form is still, by far, finance or capital (open-end) with 70% of the mentions, followed by net lease (closed-end) at 17% and full maintenance (closed-end) at 11%. In addition, 20% of the companies surveyed leased exclusively, while 54% had "some" leased vehicles in their fleets.)

In any event, the leading lessors routinely provide "value-added" services and high-quality systems, at profitable levels to meet real needs. (At a fee, of course.) These services include various computerized expense reporting systems and maintenance data control programs, marketed under such catchy names as Gelco Fleet & Management Service's "GelcoLink," McCullagh's "SAVE II," and Wheels, Inc.'s, "WIN System."

According to McCullagh Leasing President, James A. Culotta, "As corporations are taking extra measures to cut operational costs and trim budgets, there is extra pressure on fleet managers and financial officers to closely account for their vehicle fleets. The trend is clearly toward data systems that assist fleet managers in streamlining costs and keeping track of the maintenance of their fleet vehicles."

Called SAVE II, McCullagh's computerized reporting system monitors costs for each vehicle in the fleet on a monthly basis and provides an early warning signal for potential vehicle problems.

When asked about the current leasing trends, Jim Frank, President of Wheels, Inc., comments: "In the late '70's, companies were concerned about how they would cope with problems such as car availability, gasoline prices and EPA requirements. Because of today's cost squeeze, the emphasis is on controlling operation costs and fleet productivity." (Interestingly, Runzheimer's survey shows only 2% of fleet managers concerned about gas cost, while 28% cast their "worry-most" vote for maintenance and repair cost.)

Says Frank, "Companies are not looking to hire additional staff to handle the growing administrative work burdens, but instead are turning to leasing companies to assist in this area."

Maintenance management, as Frank points out, is one of the areas in which Wheels has experienced major growth. Its Maintenance Management System, appropriately named the "WIN System" (Wheels Information Network), assists the fleet manager in getting cars fixed, negotiating repair costs, registering, licensing, and disposing of vehicles.

Walter L. Lovenduscki, Vice President and General Manager of Hertz Car Leasing, notes that although the leasing industry as a whole continues to grow at a slow rate, the largest segment of the market, in terms of fleet size (100 vehicles or more), has been relatively "flat." The smaller segment (under 100 vehicles) is where there has been substantial growth. The reason, he believes, is that smaller businesses can find some value added to the equation by choosing the right leasing company. "The smaller fleet people, he says, really don't have the resources, the manpower or the overhead to efficiently manage their fleet of vehicles. When they look at the leasing equation, particularly value-added leasing, they find that they can alleviate a lot of their own internal headaches, reduce some of their overhead, and let somebody else manage the fleet for them."

Peterson, Howell & Heather, Inc., prides itself on being a full-service fleet leasing and management company—as do the other large lessors. In addition to consulting and making recommendations, they assist corporations in the area of financing. "Helping corporations with tax, accounting, and cash flow analysis has called for a much more sophisticated approach to financing," states Donna Startzel, director of sales/service support, at PH&H, "We offer a 'financial array' of leasing alternatives that appeal to a lot of different company needs."

Buick's new computerized diagnostic system

Like other lessors' *modus operandi*, PH&H places car orders on behalf of its clients, helps them with the specifications and delivery arrangements, and provides a wide range of cost control services; in particular, its maintenance control program.

This fall, PH&H is introducing a micro-based computer system called "Fleetline." Says Startzel, "This will give our clients the opportunity to perform quality analyses with their own data on a PC. It lets them be in control on a day-to-day basis in their own office."

ITC Threat

If the Investment Tax Credit is dropped, what, if any, effect will it have on the leasing market?

According to Al Cavalli, Manager of Sales and Services, Avis Car Leasing, it will have an initial impact, but no long term effect. The simple reason, he says, is due to lack of information. "This has led to confusion within the fleet industry, with some fleet managers postponing new car orders and holding the cars for a longer period of time waiting for the 'second shoe to fall.'" Cavalli feels that once the new laws are firm, then the vast majority of fleets will "return to business as usual. The reasons and methods companies used for fleet acquisition in the past will stay the same."

Commenting on the potential removal of the ITC, Hertz's Lovenduscki says, "All it will do is move the pricing a notch higher. Since there was obviously an ITC appetite by the leasing company or the lessee in the past, the ITC removal will force people to take a harder look at pricing."

Chuck Lounsbury, Vice President, Marketing, at Leaseway, Inc., shrugs off pending legislation, saying: "Whether ITC remains or not, companies will always look to leasing as an alternate acquisition means when they want to free up capital. In many cases, the overall cost of leasing can be lower than ownership, primarily due to more effective buying and selling."

Like its competitors, the Cleveland-based firm takes a "menu approach" to ancillary services. Explains Lounsbury, "If a firm decides that tax considerations call for ownership of its fleet, that's fine with us, since we can offer our PAD Program (Purchase, Administration, Disposal). We like to get in on the ground floor to map out strategy with the Fleet Administrator, assess the company's car and truck transportation needs, recommend and purchase vehicles, make sure they're maintained properly for the highest residual value and dispose of them intelligently."

Rounding out its full service spectrum, Leaseway has instituted a Road Assist Center, staffed 24 hours a day by certified mechanics. A driver in trouble simply calls in, explains the problem, and the mechanic on duty will select a repair facility, negotiate a fair price, ensure the job is done properly and handle all billing and paperwork. Says Lounsbury, "It's an easy way for a fleet administrator to keep his drivers happy and better control repair costs."

Many services offered by the leasing companies are undoubtedly effective tools to help a fleet administration control costs, better the bottom line and keep top management happy. But, what's important to keep in mind is that the professional fleet manager will always make the final decisions—with the blessing of his company's top financial people, of course—and not become overly dependent on any leasing company. —L.W.

Truck Comeback Continues Strong

After posting record 173,000 Class 8 (heavy duty) unit sales in 1979, the industry reached new lows in 1981–83, as companies developed "wait and see" attitudes, retaining older equipment or taking trucks out of service.

"Medium and heavy duty truck sales are driven by the manufacturing sector and its need for raw materials to be shipped in and finished products to be shipped out; it's that simple", says John D. Rock, GMC's Truck and Bus Group Manager. When the economy began to reverse its course, so did GMC, doubling its heavy truck sales in 1984. While 1985 will show a slight fall-off, sales are still acceptable compared to 1983's doldrums, and "will hold steady for 1986," Rock predicts.

GMC's Rock: The jobs are getting done by fewer trucks because they're built better today and last longer.

Likewise, the folks at Ford Heavy Truck Operations are much happier. As Operations Manager Kenneth F. Smith reports: "It was the line-haul carriers coming back with orders after a prolonged absence that made the difference. Our new orders peaked in the first quarter of 1984, and while the flow of 1985 orders has diminished slightly, we expect to go back up to the 1984 level next year. Our order book looks solid and despite a Class 8 softening, we're very optimistic and see a stable industry situation for next year."

Says GMC's Rock, "I don't see us getting back to the 1979 levels, even though economic conditions continue to improve. The jobs out there are getting done with fewer trucks, because they're built better, perform better, and—if they're treated right—last longer. And the refinements and improvements are going to continue because there are more competitors in the marketplace and more capacity than sales."

The direct beneficiary of all this competitive edge sharpening will be the fleet operators, of course; *when* they finally decide to replace equipment. As Ford's Smith points out, "The total fleet marketplace is still aging (up around a seven years on average right now) which has to mean increased maintenance costs. We think the time to buy is *now*, especially while the ITC is still in effect and interest rates are generally favorable."

Off-the-Shelf Savings

Buying a $60,000 tractor has never been a simple matter and, understandably, a mysterious process to any executive not involved in the fleet day-to-day management/maintenance.

GMC's solution is to provide, in a sense, "off-the-shelf" units, pre-speced for a particular application, *i.e.* long-haul tractor, in-town delivery vehicle, short-haul cement carrier. Called "CP Specs" (for customer proven), the program has been well accepted by customers and enables GMC to better plan and fill production cycles.

Explains Rock: "We listen to our users in different vocations and they tell us what specs do their jobs best. We then can build vehicles in groups with reasonably the same components. I'm not talking about 'standard' specs, but rather the *right* specs, based on hard facts and the task to be performed."

Ford's Smith: Our order book looks solid and we're very optimistic for 1986.

As might be expected, rival Ford has a similar plan called, appropriately, "Vocational Sales Program" (VSP). Says Ford's Smith, "We started our program with medium trucks and now have gone to Class 8. The buyers get faster delivery and since we're writing up specs based on our experience in a particular application, we are now offering extended warranty protection under the VSP program."

As things stand, the various truck

makers have reams of data on virtually every possible application, so "off-the-shelf" or nearly so would appear to be a viable cost-cutting measure. Though undoubtedly some fleet managers will still insist on having a hand in "building" their trucks to their own—sometimes exotic and often not cost-effective—specifications. (Which is where financial management should be looking closely and asking, "Do we really need to have our trucks custom speced? Are our tasks all that different? Or does Ford—or GMC, or Peterbuilt, or anyone *really* have a better way?")

Driving Down Costs

Not surprisingly, the micro-computer has emerged as the primary tool in controlling the sometimes runaway truck operating costs. Used in combination with an on-board trip recorder (which records such data as mileage, time, rpm, etc.), its effect can be doubly significant. Retaining and interpreting fleet data is not new by any means. However, we've now reached a level where it finally has become manageable *and* useful. (Bear in mind the computer caution, "Garbage in, garbage out".)

GMC's 1986 Astro improves fuel efficiency with its new air fairing package

Pat Patterson, President of Winston-Salem based Transportation Management Techniques, a software/operational specialist, sees the computer as an early warning system for truck fleet operators. He says, "The whole key to the computer is its unmatched ability to generate up-to-the-minute data that will indicate quickly where corrective action is necessary. The computer can instantly review the vehicle's repair history, allow better diagnosis of a problem, give direction to the mechanics, and improve shop productivity by 25% or more. For the first time, we're able to correlate failed parts to actual operation of the vehicles and isolate the cause, working with historical data from the computer and trip recorder."

Trip recorders, after a slow start, recently have gained more fleet acceptance and several models are now available from such manufacturers as Rockwell, with its *Tripmaster*, TRW, Cummins-Cadec and Stemco-Engler. In addition, a number of software packages to help keep tabs on and interpret running costs (maintenance, parts, fuel, tires) have entered the market, including TMT's *Transman*.

Patterson claims the program pays for itself in about three months and, if used properly, can lead to a 30% cost reduction over three years.

As truck and component manufacturers move toward life cycle cost guaranties and cost-per-mile warranties, they're going to be taking a much more active part in their customers' trucking operations. Says TMT's Patterson, "The whole idea is to get both parties working as a team to reduce cost-per-mile and meet guarantees. It will enable fleets to buy quality products at a stipulated cost-per-mile, rather than on the basis of initial price. Once parties are in agreement as to the warranty's scope, the manufacturers should have the right to come in and analyze the fleet department's data to be sure the trucks are set up properly for the job, driven correctly, and maintained to the makers's standards. It *has* to be a two-way street."

According to Patterson, an average of more than 12% of all fleet vehicles are "down" at any given time. "Cut that", he says, "and you'll find you can do the same work with fewer vehicles."

Management Tips

This is directly related to the fact that the average shop ends up having 40%-to-60% of its capacity tied up in *unscheduled* maintenance compared to an objective of 80% *scheduled* (preventive) maintenance.

He suggests that management pay close attention to and/or implement the following:

- Vehicle down time
- Scheduled maintenance (%)
- Unscheduled maintenance (%)
- Shop time vs. labor time
- Driver training
- Dedicated computer/software
- Trip recorder installation

As Patterson concludes, "The manufacturers have done a great job all around, and there's been more product improvements in the past ten years than in all the previous years combined. Now its up to the fleet operator to be willing to invest in the best equipment going in, negotiate a mutually fair guarantee based on life cycle cost or cost-per-mile, work closely with the manufacturer to achieve it, and sharpen fleet management methods. Always remember that the initial cost of a piece of equipment is only 15%-to-20% of the total cost over its lifetime."

In summary, with accurate input and the computer's ability to crunch numbers, you can predict operating costs, increase utilization and reduce running costs. And with cost-per-mile guarantees on the line, you'll find the manufacturers willing to help. —J.F.C.

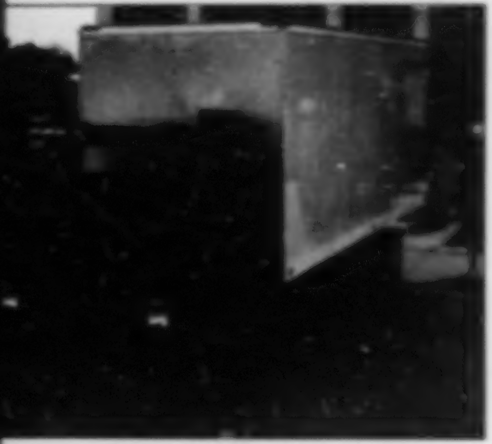
Truck Leasing Benefits

Federal deregulation, via the Motor Carrier Act of 1980 and subsequent court decisions, presents fleet operators with a number of interstate operating options that are complex to deal with, but too advantageous to ignore. Thanks to deregulation, fleets now can be set up by corporations as subsidiary transportation profit centers; they can solicit paid loads from other corporations to fill otherwise empty backhauls, to name just two of the more important options that are now available.

Meanwhile, the tax and operating regulations of individual states keep changing constantly, confronting multi-state fleets with a veritable maze of diverse tax and legal requirements and operating restrictions. Next year, a new set of regulations concerning improved safety and stricter emissions control are expected from several states, adding more to the confusion.

Even the economic recovery has complicated things for private truck fleets. Rising business activity mandated the expansion of fleets, while falling inflation revealed many fleet cost inefficiencies that had previously been masked by high inflation.

Sophisticated new technology, along with a proliferation of truck models and equipment, makes the proper selection of new vehicles perplexing, to say nothing of escalating acquisition costs. In the face of this ever-rising tide of complexity, many private truck fleets are getting more than leased vehicles from the leasing companies.



World Class: Ford's new Class 7 all-purpose 'CARGO'

Basic truck leasing, of course, is still the prime service and one that is in increasing demand, since sound financial management often requires an alternative to the commitment of capital and the drain on corporate credit lines caused by outright purchase. But today, the major leasing companies offer much more than just an alternative means of vehicle acquisition.

Gordon Bingham, Vice President, Marketing for Ryder Systems, describes Ryder's current private truck fleet programs: "We now offer a series of services that start with a '*full dedicated contract carriage*' system, where the customer tells us what he wants done, and we handle everything from the routing design, vehicles hiring drivers, the dispatch function—the 'whole ball of wax.'

"If a customer does not want to give up the dispatch function and some of the day-to-day control over the fleet, but yet doesn't want to mess around with drivers, then we give him 'single-source' leasing, which provides both the drivers and the vehicles.

"If he wants the drivers to be his own employees, since they may also act as salespeople to his customers, we can give him 'full service' leasing."

A developing trend in the leasing business is offering individual services on an "a la carte" basis. To deal with myriad state tax, registration and reporting requirements, some multi-state fleet operators, for instance, are purchasing only relevant administrative services from their lessors. Other fleets are leasing drivers for their company-owned vehicles. Some are taking advantage of the leasing company's expertise in testing, qualifying and training company drivers.

James Costa, Director of Marketing for Rollins Truck Leasing, reports that "Rollins Brokerage Services was established to meet a need that is a direct outgrowth of deregulation. Many private fleet operators want to take advantage of the option to fill empty backhauls with loads from other shippers so we work as a 'brokerage network', between shippers who have products to move and our own customer fleets who have empty miles to fill. We use our computer network to properly match loads and idle equipment. We've found that the extra revenue these hauls generate can cut the cost of doing business with us."

When it comes to the changing needs of corporate truck fleets and the answers provided by the leasing companies, we've probably only seen the beginning of a long term trend thanks to the evolutionary changes caused by federal deregulation.

Deregulation on the state level will only add to the complexities faced by private truck fleets. So we can expect many leasing companies to become, in the words of Peter T. Farm, Director of Transportation Services for the Lend Lease division of National Car Rental, "full-service transportation companies."

—T.R.

Peterbilt Principles

Peterbilt trucks—impressively rugged and usually chrome-bedecked from hubcaps on up—occupy a fond spot in the fantasies of most red-blooded American truck drivers. But image and status notwithstanding, they've gained a richly deserved reputation for quality and longevity.

Like other heavy truck manufacturers, Peterbilt Motors Co. has on-going research programs to aid in the quest for greater efficiency and "10 mpg or better" for 80,000 lb Class 8 rigs.

Peterbilt engineers point out that only about 40% of the energy in a gallon of fuel is available as productive mechanical power; the rest is lost in the form of heat. So fuel economy measures are aimed at combating the "power users": Rolling resistance of tires (45%); aerodynamic drag (40%); powertrain losses (15%); and gradeability, which varies widely. Peterbilt's findings, and some surprising observations, follow:

- The easiest way to hold rolling resistance to a minimum is to properly inflate tires. 5% under-inflation increases fuel consumption by 1%.
- Low profile radial tires improve fuel economy, but only if matched with the proper drivetrain.
- Air deflectors on cab-over (COE) trucks can improve fuel economy by 5%-to-7%; while adding cab extenders and trailer nose cones can increase fuel efficiency as much as 13%.
- COE vehicles don't necessarily have more drag than conventionals.
- Direct drive transmissions can be more fuel efficient than overdrive.
- Synthetic lubricants in drives axles improve fuel economy by about 2%; synthetic oil in crankcase adds 1% more.
- A temperature-controlled fan clutch can save 25 horsepower at highway speeds.
- Climbing from 55 to 60 mph cuts fuel efficiency by 12% or more.

As Virgil Pound, Peterbilt's Chief Engineer, advises: "Driver training is a key way to get more miles per gallon, and on-board electronic trip recorders, coupled with driver incentives, are proving effective in some fleets. As far as specing for fuel economy, look at the entire vehicle as a system, rather than adding accessories one at a time".

—J.F.C.

Honeywell Hones Fleet

It costs Honeywell $87.50 a year less than the per-car average for all industries to operate each of its 6,000 fleet cars—an annual saving of $520,000.

This is possible because of the development of a four-tactic fleet management strategy to provide each division with the most economical vehicles to meet separate business transportation requirements, according to Richard E. Weber, Corporate Vice President, Sales and Services.

Weber explains, "Overall fleet costs are managed by separately targeting the three individual key events in the life cycle of our fleet: selection of vehicles, operating costs and disposal (resale) of surplus and older units. Although each event is tracked, measured and managed separately for maximum cost improvement, they all share the same data base such as driver name, unit number, division and operating account numbers."

TACTIC #1 Recognizing the importance of the data base and the need to combine information from multiple vendors, the first important tactic was to develop an in-house vehicle information system. As developed, this system consists of two modules:

The *Master File* which maintains records of each vehicle, driver information for each vehicle and information necessary for generating management reports and automated billing and audit.

The *Expense Detail File* which keeps a month-to-month total of costs by expense category for the previous twelve-month period and an inception-to-date total for each vehicle.

- Savings of $80,000 a year on cars and trucks by not purchasing differing fleet reports from vendors. This is in addition to the $520,000 savings cited.
- Uniform fleet operating information to make management decisions.
- An ability to accept magtape billing from vendors, permitting automated audit of charges and timely pass-through accounting to using divisions.

TACTIC #2 Development of management reports which provide information to both operating management and fleet management.

- Division management reports provide a tool for evaluating division costs compared to industry and fleet averages and allow division management to establish internal division transportation programs to control these costs.
- Fleet management reports provide composite information that guides vehicle selection and replacement criteria. *Example:* Honeywell led large fleets in the move to four cylinder cars by two years.
- "Over the last ten years we have improved our fleet performance by an average of 10 miles per gallon," says Weber. That means, each mile per gallon saved has reduced the fleet's fuel expenses by $450,000 a year.
- "In total, our fleet operating costs average $87.50 per car per year under the all-industry fleet average as a result of decisions driven by our fleet management reports. This represents $520,000 a year, $450,000 of which are fuel savings noted above," Weber says.

TACTIC #3 Development of a replacement modeling system to select the optimum replacement point in the cash flow stream of vehicle operating expense. Factors considered are vehicle type, lease payment, cost of capital, resale market, monthly mileage, acquisition costs, operating expense, inflation and tax implications.

- An evaluation of trade-in values and method of disposal led to a new schedule and alternative "auction" method, upping trade-in recovery by 3%-to-5%.
- Improved the company's ability to measure the performance of its vendors and led it to an improved competitive contract position.

TACTIC #4 Develop a tracking system for our alternative transportation program for drivers not qualifying and/or looking for an alternative to the standard company vehicle.

- Management reports allow comparison between these costs and standard fleet costs for future assignments and program updates.
- Provides appropriate insurance tracking mechanisms.

Weber sums up: "The adoption of these computer programs allows us to respond to the constantly-changing marketplace influences and division needs without having to develop new or replacement systems." —J.F.C.

Information, Please.

1985 Automotive/Truck Guide Books: Facts, figures and fleet recommendations, available from:

- Avis Car Leasing, PO Box 117, Carle Place, NY 11514.
- Geico Fleet & Management Services, 3 Geico Dr., Eden Prairie, MN 55344
- Hertz Car Leasing, 1633 Broadway, New York, NY 10019
- Peterson, Howell & Heather, PO Box 2174, Baltimore, MD 21203
- McCullagh Leasing, 30803 Little Mack Ave., Roseville, MI 48066
- Leaseway, 3700 Park East Dr., Cleveland, OH 44122
- Wheels, Inc., 6200 N. Western Ave., Chicago, IL 60659

Fleet Management
Fleet Management, a comprehensive work by John E. Dolce, covers all aspects of fleet management and cost control, with emphasis on trucks. 320 pp., $31.95, from McGraw-Hill, 1221 Avenue of the Americas, New York, NY 10020.

Runzheimer Reports from: Publications Division, 555 Skokie Blvd., Northbrook, IL 60062.

- *Runzheimer Reports on Transportation*—Monthly newsletter on car fleet management ($195/yr).
- *Runzheimer on Cars and Living Cost*—Informative and *free* quarterly newsletter on items of interest to managers.
- *Survey and Analysis of Business Car Policies and Costs*—Complete 1985/86 report; available early 1985; ($296).
- Runzheimer Reports on Travel Management—Invaluable in controlling rising travel costs; monthly newsletter, ($245/yr).
- *Special Tax Report* Titled "From Recordkeeping to Tax Reform", including the October 1, 1985 Treasury Department ruling summary. $7.50.

NAFA Fleet Manager's Manual
Everything one needs to know about running a corporate fleet, and more; includes sections on acquisition, expense control, maintenance and safety. $85 per copy, from: National Association of Fleet Administrators, 295 Madison Avenue, New York, NY 10017, (212) 689-3200.

Credits: This Focus Report was prepared for Dun's Business Month by *The Advertorial Advantage*, a New York firm specializing in magazine supplements. Editor: John F. Carroll; Writers: Thomas A. Riley, Bill Wagstaff, Lynne Warshavsky; Design: Kellner & Osburn, Incorporated.

REAL ESTATE

Real Estate Loan Crunch

If the nation's bankers thought the energy-related loan problems of two years ago were a rough ride, they had better start fastening their seat belts for the real-estate crunch that is about to begin. The six largest bank holding companies in Texas—where the energy loan crunch also began—have reported nonperforming real estate loans ranging from 15% to 35% of their total nonperforming loans as of the end of the second quarter. The nonperforming real estate loans range from $45.8 millions for Houston's Allied Bancshares to $215 million for Dallas' InterFirst Corp. (*see table, below*).

Obviously worried about the situation, the Comptroller of the Currency last month mailed out detailed questionnaires, dealing solely with real-estate exposure, to 25 major banks, concentrating on institutions in such soft real-estate markets as Houston, Dallas, Denver, Seattle and San Diego. The survey asks banks to break out the types of real-estate loans made and requests details on the banks' loan policies and procedures, foreclosure guidelines and delinquency rates. Industry sources say that the Comptroller plans to send teams of examiners to targeted banks after the survey has been completed.

REAL ESTATE LOAN EXPOSURE AT TEXAS BANK HOLDING COMPANIES

Holding Co.	Nonperforming Real Estate Loans (in millions)	Nonperforming Real Estate Loans/ Nonperforming Loans	All Real Estate Loans/Loan Portfolio
Allied Bancshares	$ 45.8	16%	35%
First City Bancorp.	98.8	19	30
InterFirst Corp.	215.0	27	37
MCorp	70.0	15	33
RepublicBank Corp.	96.0	18	35
Texas Commerce Bancshares	213.0	35	31

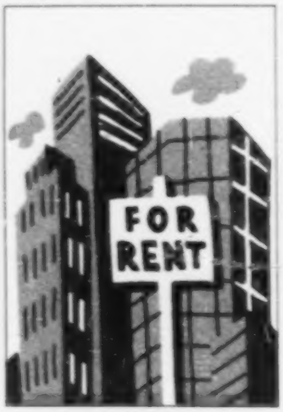
Source: Second quarter bank reports

Office Glut Could Get Worse

Chicago has moved into first place as the city with the most vacant office space. In the first half of 1985, the Windy City edged out the previous leader, Dallas, and even long-time vacancy capital Houston, to grab the dubious honor of having 40.5 million square feet of unoccupied office space. Dallas is close behind with 39.2 million sq. ft., while Houston has slipped to third with 38.1 million, as office construction there has ground to a virtual halt.

Rounding out the rest of the Top Ten office vacancy markets are: Los Angeles (34.3 million sq. ft.), Washington, D.C. (27.6 million), San Francisco (25.4 million), Manhattan (24.2 million), Atlanta (17.6 million), Denver (16.3 million) and Boston (16.2 million).

Comments Kathryn S. Gehbauer, a spokesperson for Houston-based The Office Network, Inc., a real-estate research firm: "Because the construction rate is so high—it's the highest it has ever been—there's going to be additional empty space added to the market. The other cities need to follow the lead of Houston and Denver, which have cut construction back considerably." ■



COMPANIES

Wall Street Hails Carbide Cutbacks

Union Carbide Corp., beset by laxness, leaks and lawsuits, said that it will close many unprofitable plants, cut its work force (*see page 44*), and take nearly $1 billion in writeoffs this year. Management decided to bite the bullet now instead of spreading the restructuring over several years, as it at first intended. The company, as a result, expects to report a loss for 1985.

Industry analysts applauded the belt-tightening, which they felt Carbide should have begun long before the fatal gas leak at Bhopal, India, and the accidents in West Virginia. They said that management, which also intends to buy back 10 million shares of Carbide common, might have acted now because of the threat of a takeover by Samuel Heyman, chairman of GAF Corp., who owns 9.9% of Carbide's stock and intends to buy more. The company denies that the restructuring has any connection with either Heyman or Bhopal.

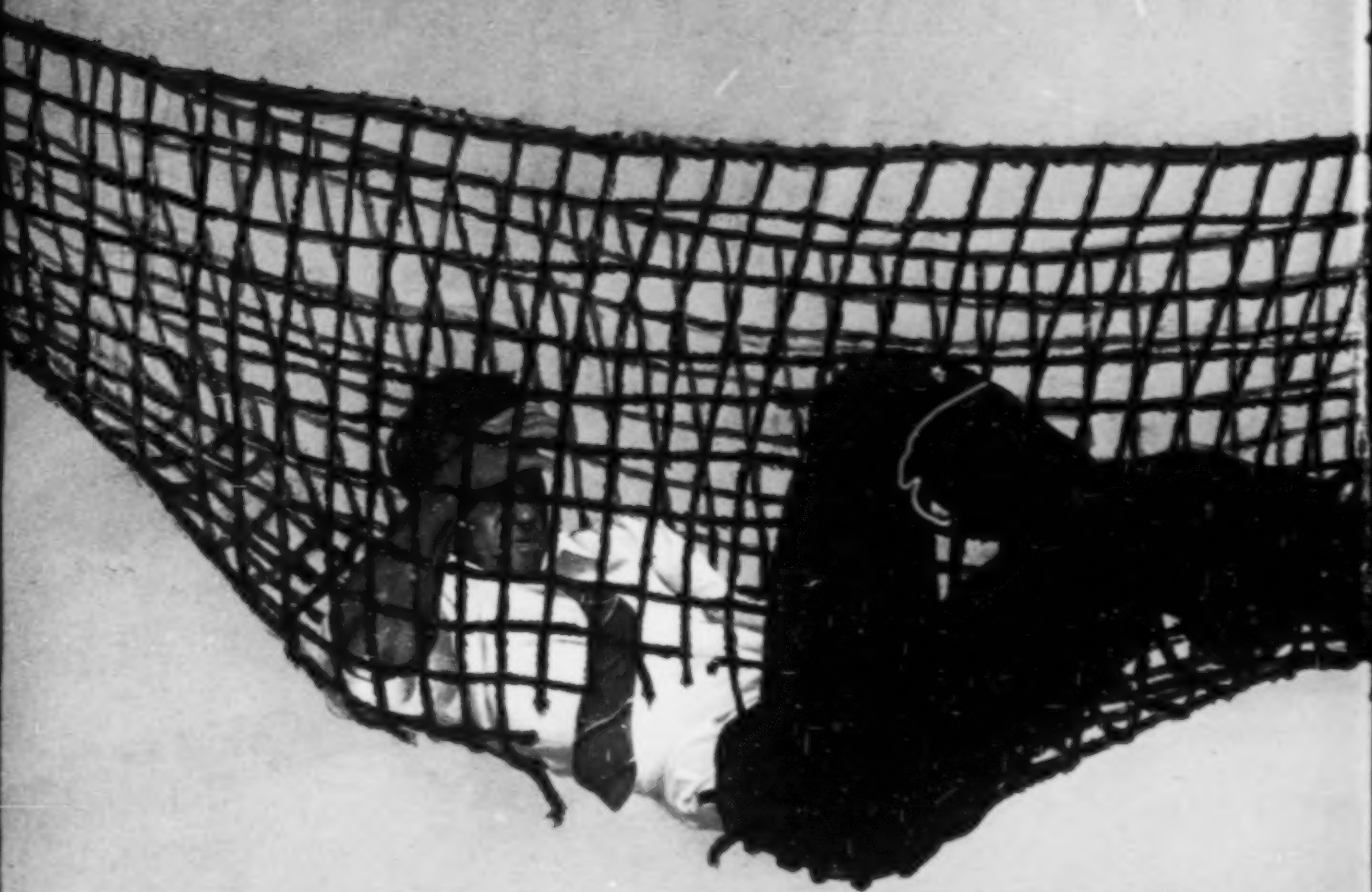
On the day after its announcement, Carbide, the most actively traded issue on the Big Board, rose to 55⅝, up from a low of 33 just after Bhopal.

A.H. Robins Follows Manville

The A.H. Robins Co., facing 5,100 product liability claims stemming from its Dalkon Shield interuterine contraceptive, has filed for protection from its creditors under Chapter 11 of the Federal Bankruptcy Code. This recalls the "preemptive" Chapter 11 filing by the Manville Corp. in 1982, when it was faced with billions of dollars of claims from workers made sick by asbestos.

Robins sold 2.8 million of the devices domestically between 1971 and 1974. They have been linked to pelvic infections, sterility and spontaneous abortions, four of which led to the mother's death. Robins and its insurer, Aetna Life & Casualty Co., have settled more than 9,200 claims for $378 million; legal fees and other costs consumed an additional $107 million.

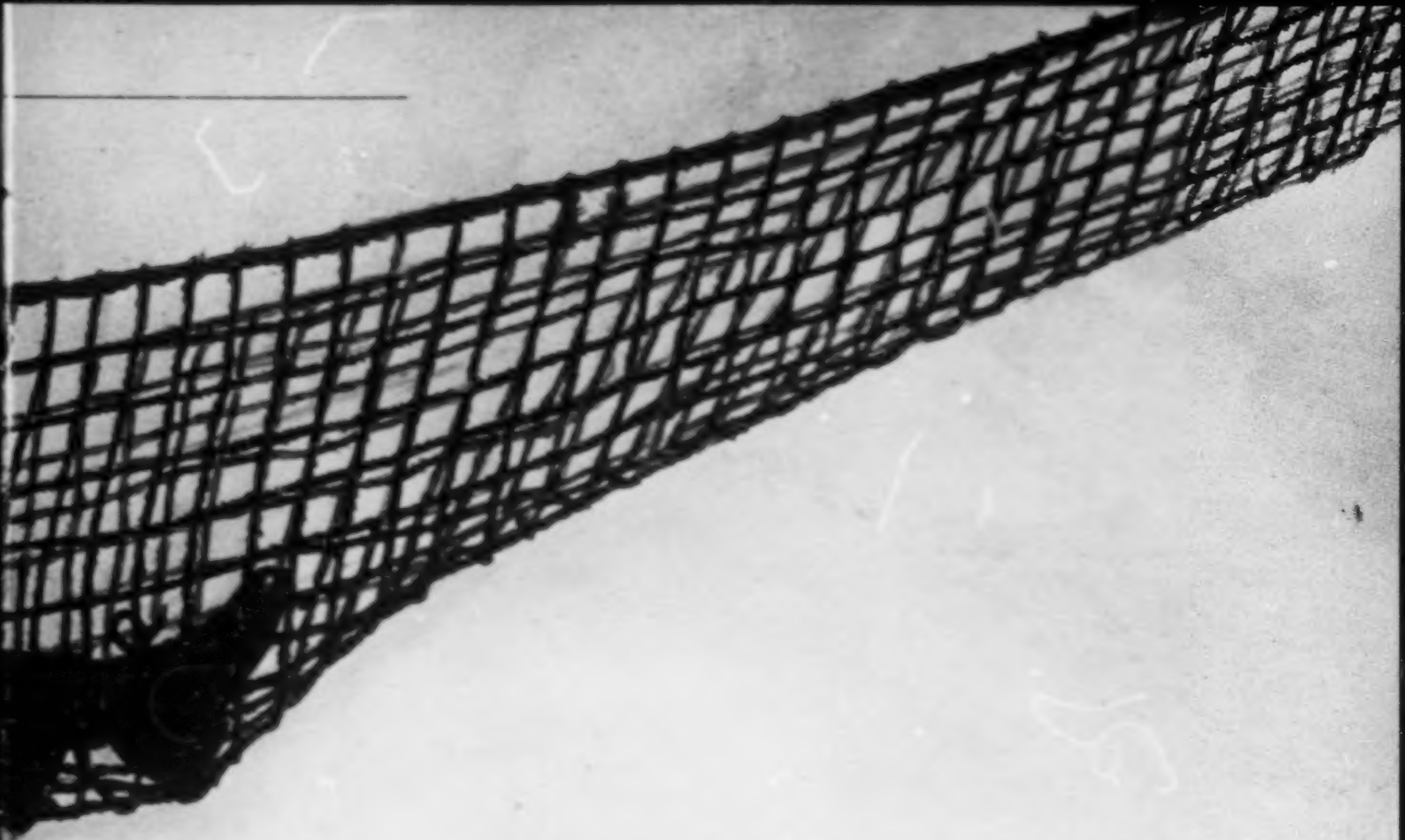
This April, Robins set aside $615 million to settle future claims, but the total li-



Companies Cut Back On Benefits: What It's Costing Employees

A Dun's survey reveals: Higher medical deductibles and premiums and reduced pension guarantees.

by Daniel Forbes



Until a few years ago, employee benefits such as health care and even pensions were commonly referred to as "fringes," and, historically speaking, the word was accurate. When these benefits were originally introduced in the immediate postwar period, they were expected to protect employees from catastrophic losses only. But over the years, as American industry prospered, company insurance policies were broadened to pay all medical bills, and guaranteed pensions that rose with salaries became the rule. The fringes grew into an all-purpose safety net—they were fringes no longer.

But recently, corporate America discovered it could not afford this generous protection. Starting about five years ago and accelerating dramatically since 1982—spurred by rampant inflation in health care costs and the pressure on corporate earnings brought on by the worst recession in forty-odd years—companies began to shift some of the burden of the benefits bill to employees. Today, there are few companies that are not at least investigating some means of paring their part of these expenditures.

Indeed, these are precisely the findings of an extensive survey of health care and pension benefits cutbacks at over 1,100 of the nation's largest companies, conducted by DUN'S BUSINESS MONTH. More than 1.5 million employees were represented by the 150 companies that responded to the questionnaire sent to a list supplied by William M. Mercer-Meidinger, Inc., and in more than 80% of the companies employees are now picking up a greater part of the tab for benefits or have seen the guarantee of security reduced. This major trend is corroborated by other recent surveys by consultants the Wyatt Co. and Towers, Perrin, Forster & Crosby. The Equitable Life Assurance Society queried 1,250 companies and found that in the past three years a majority increased employees' responsibilities for medical costs.

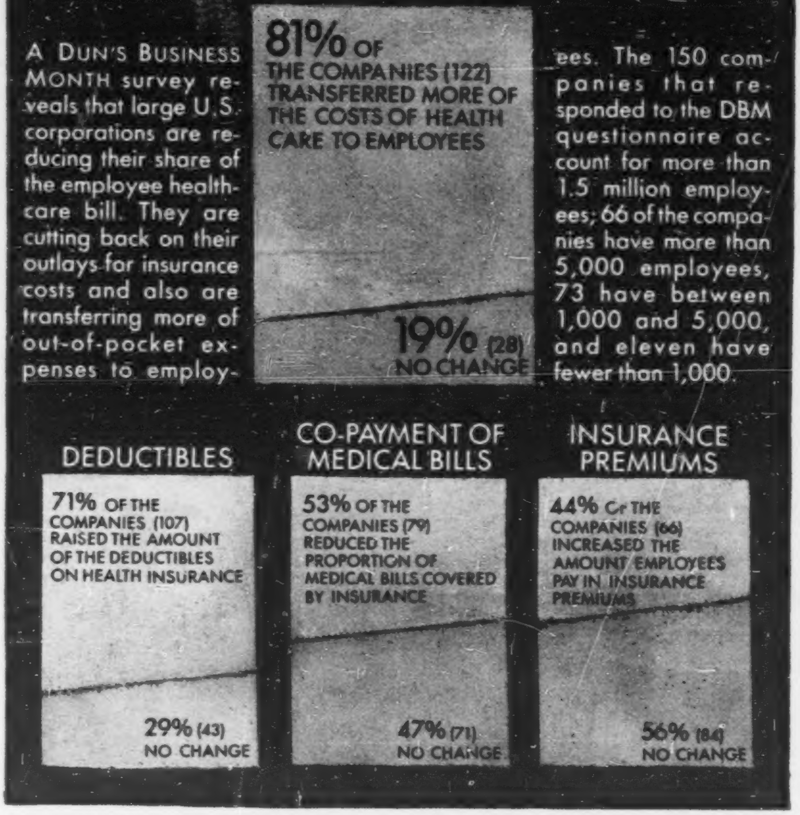
The DBM survey reveals that medical benefits are most dramatically affected, with 81% of respondents indicating that they upped the amount of employee contributions to health care or insurance. Many companies introduced programs that raised the share of medical bills employees pay unless they use designated doctors or follow set procedures. Pension benefit guarantees also diminished, but less dramatically.

The cutbacks are an unmistakeable expression of the corporate pain of paying the bill for the rising tide of medical costs. Health insurance costs skyrocketed as the medical care component of the Consumer Price Index soared about 11% annually from 1979 to 1983. And individual companies fared far worse: Houghton Mifflin, Inc. reports that benefits costs rose 20% in 1983, 27% in 1984; Hobart Corp. experienced 25% annual increases during the early 1980s; Nebraska's Valmont Industries' medical costs rose from $895,000 in 1979 to $1,822,000 in 1981—it made major changes in 1982.

By and large, companies absorbed the higher costs for three years or more before they acted. But when they did, the timing was hardly coincidental. Plant closings, mergers, plummeting sales and an unemployment rate topping 10% created a climate for benefit cutbacks.

Carson E. Beadle, managing director of pension and benefits consultants Mercer-Meidinger, expresses no doubt that the cutbacks and high unemployment were linked. "The economic setback forced people to look at their costs," he says. Oil refiner Tosco Corp.'s benefits manager Joseph F. Osborne says simply, "It's better to do it when employees know the company is having a hard time."

How Companies Are Shifting the Costs of Health Benefits to Employees



A Dun's Business Month survey reveals that large U.S. corporations are reducing their share of the employee health-care bill. They are cutting back on their outlays for insurance costs and also are transferring more of out-of-pocket expenses to employees. The 150 companies that responded to the DBM questionnaire account for more than 1.5 million employees; 66 of the companies have more than 5,000 employees, 73 have between 1,000 and 5,000, and eleven have fewer than 1,000.

81% OF THE COMPANIES (122) TRANSFERRED MORE OF THE COSTS OF HEALTH CARE TO EMPLOYEES
19% (28) NO CHANGE
DEDUCTIBLES
71% OF THE COMPANIES (107) RAISED THE AMOUNT OF THE DEDUCTIBLES ON HEALTH INSURANCE
29% (43) NO CHANGE
CO-PAYMENT OF MEDICAL BILLS
53% OF THE COMPANIES (79) REDUCED THE PROPORTION OF MEDICAL BILLS COVERED BY INSURANCE
47% (71) NO CHANGE
INSURANCE PREMIUMS
44% OF THE COMPANIES (66) INCREASED THE AMOUNT EMPLOYEES PAY IN INSURANCE PREMIUMS
56% (84) NO CHANGE

Hard times or no, organized labor more successfully resisted cutbacks than white-collar workers. Union bargaining practices made it difficult for companies to change benefit provisions that are set nationally or where multi-employer plans pay the bills. In such cases, companies put the burden on their salaried employees. As one natural resources company executive put it: "It's always the salaried people being cut back. You can deal more straightforwardly with them."

At least 22 companies that responded to the DBM survey noted they had raised health care costs for salaried employees but not for unionized workers. Charles S. Diener, assistant treasurer of Delaware's RLC Corp., reports that the trucking company raised the amount of health insurance contributions of its salaried employees, but not for its union workers, who were covered by the Teamsters' multi-employer health program.

At Tosco Corp., 450 salaried employees got hit with a variety of new health care costs this year. The company instituted co-payments on medical care, raised employee contributions to health insurance premiums $10 a month and inaugurated deductibles on health insurance ranging from $125 to $400 annually, depending on salary. At the same time, the company terminated its guaranteed benefit pension plan for salaried employees and substituted a defined contribution plan. The benefits of Tosco's 600 union employees, which are negotiated, underwent no change, reports Osborne.

In their efforts to rein in runaway health costs, employers have changed the terms of health insurance policies and raised the employees' out-of-pocket outlays. In most cases (71% of the respondents), companies either put in deductibles on health insurance policies or raised the current deductible. One-third of the companies responding now charge single employees deductibles of $100-to-$149, another third charge $150-to-$199, and a like number charge $200-to-$249. For dependent coverage, the results vary more widely. The greatest number have annual deductibles of $200-to-$700.

The second most popular cost shifting technique is co-insurance, or co-payments, by employees of a portion of medical expenses, until a limit or "stop-loss" has been reached. Fifty three percent of the respondents instituted co-payment policies. And four out of five of them have an 80%-to-20% co-payment ratio—the employee pays 20% of the bill up to the limit.

The most popular stop-loss limits are $1,000 for single employees and $2,000 for dependent coverage, which in most companies is double the single employee stop-loss. A significant number of companies, however, have limits of $500 for single employees and $1,000 for families.

Finally, the last of the pure cost-shifting techniques, 44% of our respondents have increased their employees' share of group health insurance premiums. Many companies raised coverage for dependents to about $25 a month.

Companies also shifted health care responsibility to employees in nonfinancial ways. Half the companies put in an array of new health care programs that do not increase employee outlays, but limit their choices. Called "managed care" policies, these programs encourage employees to avoid unnecessary spending. They include: mandatory second opinions before elective surgery, pre-admission testing, incentives for outpatient surgery and testing, disincentives for noncrucial emergency room use and incentives for patronizing Health Maintenance Organizations (HMOs) and Preferred Provider Organizations (PPOs).

These programs usually provide benefit improvements (such as free medical checkups), but they also limit the employees' power to choose their doctors and penalize financially those who do not comply. If an employee refuses to get a second opinion, say, or has a proscribed procedure done on an in-patient basis, some plans pay only 50% of the bill even though they will pay 100% of the cost of a second opinion or a procedure done on an out-patient basis.

Most employees have adjusted to the changes. As Carson Beadle says, "You get endorsement because of the hunger for more medical information; having more guidance is viewed as positive." But people are sensitive about medical care, and any glitches are magnified. An employee who quite rightly goes to an emergency room with chest pains is delighted to find out it's only gas, but becomes furious when this is not deemed an emergency, and he must pay 50% of the cost rather than 20%. This can take several weeks to straighten out.

Some companies have discovered that HMOs are not the panaceas they were trumpeted to be. Richard C. Smith of Hobart Corp. says an HMO "sounds attractive, but it won't fit most needs." Most employees, he says, want to maintain relationships with family doctors and HMOs will not cover hospitalization outside their service area—a drawback for college students and vacationers.

Moreover, the savings are not what they are cracked up to be. Hobart's Smith says, "HMOs are getting expensive, and the employee has to make up the difference between our average cost per month and the cost of the HMO. This can be as much as $60 a month, and the employee has to decide if the HMO's first dollar coverage is worth this expense. It's a crap shoot on whether you're going to get sick or not."

Still, companies are delighted with the savings from managed care. B.F. Goodrich saved $1.5 million the year after instituting managed care; LTV Corp. estimates that employee hospital days dropped about 40% after precertification was required. Many companies have passed some of the savings along in the form of wellness programs, more dental coverage, or by raising the company match to a thrift program; 40% of the respondents offered sweeteners with their cutbacks.

In cutting back on corporate benefits, reductions in pension guarantees are not nearly as common, the DBM survey found. For many companies, excellent investment results, smaller wage increases and reduced employee rolls have significantly slashed pension costs in recent years.

Nonetheless, seventeen respondents terminated defined benefit plans, in which an employee is promised a specified monthly pension for every year of service—the amount being linked usually to his average salary during his last five years of employment. They put in instead defined contribution plans in which companies contribute a set percentage of an employee's salary each year into an individual account and the employee directs how the money is invested; upon retirement, the proceeds are used to buy an annuity. A handful of companies substituted defined contribution plans for part of the defined benefit plan. Some companies substituted 401(k) savings plans (in which the employee contributes pre-tax dollars, usually, along with a company match) instead of pension plans.

In a defined contribution plan or a 401(k), an employee could end up with a more generous pension than in a defined benefit plan, but the size will fluctuate with investment results. They are more likely to produce a lower pension than a defined benefit plan. Because contributions are based on an employee's current salary, they ignore future raises and inflation, which are taken into account in final five-year average defined benefit plans.

As a result, employees are less secure and planning retirement needs is less predictable. For example, if the employee elects to invest his individual account in an equity fund, the pension could decline if he unfortunately retires in the midst of a market downturn. Also, he cannot predict the value of his annuity, which depends on the interest rate available the year he retires.

Because of the uncertain outcome, organized labor has largely opposed defined contribution plans. Larry Smedley, associate director of the AFL-CIO's Department of Occupational Safety, Health and Social Security, prefers to look on defined contribution plans as a supplement, not a substitute, for defined benefit plans.

Given the amounts of money involved for employers, as well as the natural queasiness employees feel about their health and old age security, who should pay for benefits is a tough issue. The Reagan Administration favors private sector responsibility, but the ability of American industry to afford the benefits that employees have gotten used to depends on control of medical care inflation and profitable operations. Without a return to strong earnings, the cutbacks are likely to continue, and American employees will have to learn to live with less of a safety net.—WITH BARBARA BERKMAN

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INVESTMENT UPDATE

Here's the current status of a number of investments, and a look at how they have fared over the past month and the past year.

INVESTMENT	(8/30/85) Recent Price or Yield	Value of $10,000 if invested: Month Earlier	Year Earlier
Common Stock (Index fund, capital gains and dividends reinvested)	$22.26/share	$ 9,993	$11,594
per cent change		−.67%	+15.9%
Bonds (30-yr., 11¾% Treasury Bond)			
MARKET VALUE		$10,123	$11,634
ACCUMULATED INCOME	$108.12	$ 92	$ 1,264
TOTAL		$10,215	$12,898
per cent change		+2.2%	+28.9%
Money Market Fund	7.08%	$10,060	$10,861
per cent change		+.6%	+8.6%
Gold (Krugerrands)	$333.50/oz.	$10,271	$ 9,570
per cent change		+2.7%	−4.3%

HOUSE PRICES	Recent	Month Earlier	Year Earlier
Existing House	$93,700	$95,700	$82,400
per cent change		−2.1%	+12%
New House	$104,400	$119,200	$94,300
per cent change		−14.2%	+9.7%

Sources: Vanguard Group Inc.; Salomon Brothers; Donoghue's Money Fund Report; Deak-Perera Fifth Avenue, Inc.; Federal Home Loan Bank Board.

Imre can profitably sell $3 million-to-$5 million of the devices next year and grow substantially after that. He believes the stock could more than double to 10 per share from its recent 4½.

Circon Corp. is a leading maker of miniaturized TV cameras used in arthroscopic operations on damaged knees, the bane of professional and amateur athletes. Its sales and earnings suffered a setback last year when hospital budgets were cut, but they have since rebounded. McCamant expects earnings to climb 35% to 25 cents a share this year and 40 cents in 1986. He says that Circon now has its own sales force to penetrate the growing sports medicine business more deeply. "If they succeed in this, their earnings could be better than I'm projecting," he says.

The growing threat of AIDS has renewed McCamant's faith in Newport Pharmaceuticals, which recently sought FDA approval to market its drug, isoprinosine (IPO), to treat early- stage AIDS. NPC claims that it acts to restore a failing human immune system, a key factor in the disease's progression. McCamant estimates that some 200,000-to-1 million persons are infected with the disease in an early stage form, constituting a $100 million market. Newport's earnings are minimal so far, 5 cents per share in fiscal 1985 (ended April 30), but McCamant expects them to double this year and "then take off after that." He also figures the stock could soar to 20 from a recent 12.

McCamant also likes Sunrise Inc., which makes such mundane items as canes, walkers and hospital beds as well as more sophisticated equipment like motorized wheelchairs and specialized mattresses for burn victims. Sunrise is staying well ahead of the competition by acquiring specialty producers, exploiting the growing demand for such supplies, says McCamant. He expects a 35% gain in earnings, to 75 cents per share, in fiscal 1986 (ending June 30) and a similar rise to $1 in 1987.

—THOMAS J. MURRAY